



THE CHANGING FACE OF EXECUTIVE REPUTATION

IPRA GOLD PAPER No. 18

International Public Relations Association

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FOREWORD

Today, the world of executive reputation has widened well beyond that of the company, brand and CEO. More senior executives are expected to be engaged publicly and connecting with stakeholders in new ways. However, it is a noisy and distracted world. Without an intentional commitment that leverages existing business resources to build a coordinated enterprise strategy, this effort will be time-consuming and fail to deliver the desired outcomes.

In this Gold Paper from IPRA, a co-production with Qnary and the BE Center for Global Communications (a shared initiative between Emerson College and The Blanquerna School of Communications), it is asserted that the digital reputations of key executives should no longer be seen as mere window-dressing. Instead, they should be considered as essential company assets that can be leveraged as part of a powerful and communicative business practice: one that has the potential to reach diverse groups in important, engaging ways.

The following pages examine how C-level digital executive reputation is changing and how it can be harnessed to help drive business success. Several ways are suggested how it can become – as it should – a central part of a contemporary business strategy. It is examined how the development of reputation management has moved from the margins to the center of the organization, and the authors look at the future of executive reputation. They also note that with a growing and sometimes bewildering array of communication options – from online platforms to events, traditional media to internal communications – help is sometimes required to navigate the ecosystem.

Bart de Vries, IPRA President 2016 - 2018

INTRODUCTION

Gold Papers are authored by recognised specialists upon invitation of the IPRA Board. Gold Papers are a part of IPRA's mission for the *intellectual leadership of the profession*. Over the years they have varied widely sometimes focusing on a single topic, sometimes highlighting academic research, and sometimes being the view of key practitioners on the issues of the day.

In the summer of 2018, Qnary and the BE Center for Global Communications surveyed 6200 full-time employees across the United States of America, the UK, China, Italy, Spain and Australia. The results of that survey are the foundation for this IPRA Gold Paper which explores *The Changing Face of Executive Reputation*. The findings detailed in this report show unequivocally that the online reputations of senior C-level executives have become a significant influence on the perception of organizations.

Insights gleaned from the study support the conclusion that public-facing profiles for senior executives should no longer be confined to traditional paradigms of personal career development or public relations. Rather, the development of digital executive reputation has become a workstream that can be integrated with other functions and drive important organizational advantages, including the growth of good morale, a sense of purpose and heightened dynamism throughout the workforce. As a business practice, it will only grow in importance.

REPORT AT A GLANCE

The findings in this Gold Paper include some key indications which together suggest that digital executive reputation is becoming an increasingly important part of a company's accountability.

The survey reveals that an executive's social media presence can positively influence purchase decisions, with six out of ten respondents saying that if they followed (or were to follow) a senior business leader on social media, they would be more likely to buy from that company. This finding finally moves the needle on digital executive reputation from a nice-to-have, to a clear financial imperative.

Women are 25% more likely than men to make choices about which business leaders they choose to follow online, based on an executive's standpoint – or lack of – on social issues. Acknowledging the above connection to purchase intent when following an executive's social media channels, there will be an increasing corporate focus on how men and women may respond differently to corporate messaging, and how best to embrace and translate that new understanding into purposeful communications.

In the era of digital transformation, the consumer ecosystem and the consumer journey are evidently changing. It is perhaps unsurprising that in the survey, the Millennial generation (*digital natives* born between 1984-96) were almost twice as likely as older consumers between 45-54 to be influenced by an executive's digital reputation. Expect to see this engagement increasing as Millennials grow older and are followed by new generations of digitally-literate consumers.

56% of respondents stated that a business executive's presence on social media positively influences their purchase decisions.

THE CHANGING FACE OF EXECUTIVE REPUTATION

Reputation management is evolving rapidly. Historically, it referred to niche public relations activity, typically deployed in the midst of an urgent crisis or scandal. Today, a company's reputation is increasingly considered an *always-on* function, embedded deep in a company's culture as well as being part of its public face.

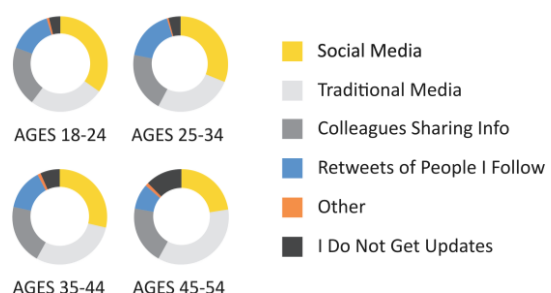
According to Leslie Gaines-Ross, chief reputation strategist of Weber Shandwick, after the global recession, the role of CEO's regarding reputation began to shift from a secondary to a primary function that required greater engagement and presence online. "Although social media has placed nearly every CEO and company in the spotlight for good and bad, it has also given CEOs a once-in-a-lifetime opportunity to tell their company stories in unimaginable and untold ways" (Weber Shandwick).

The research finds that more people now rely on social media versus traditional media for updates on business leader's views. Unsurprisingly, this was particularly true of the younger demographic of 25-34-year olds (70%). Less predictably, perhaps, it proved especially valuable in China where five out of six of the survey's respondents used social media as a first call.

Leveraging online reputation for executives is now part of the process of digital transformation. In a 2017 survey of business executives in the US, 80% of respondents said it was 'likely' or 'very likely' that being influential in your industry could be achieved by having a digital presence.¹ If that survey were to be re-run today, that percentage would likely be significantly higher: social presence and executive influence are increasingly inextricably linked. It is likely that this tide cannot be stopped (a view reinforced in Forbes' 2018 report on the world's most influential CMOs.²)

Today, C-suite executives have become ambassadors for their companies, and as such their reputations need to be intentional. This requires both new investment and an enhanced functional integration of existing resources. With executive social channels playing a much more significant role in delivering corporate news and information, leaders should acknowledge the importance of online engagement and actively participate in the process.

How do you get updated on or learn about a business leader's views?



¹ Qnary, Professional Digital Presence Study, 2017

² Forbes, Sprinklr and LinkedIn, June 2018

“
Your brand isn't what
you say it is; it's what
Google says it is.
-Chris Anderson, former Editor of Wired
”

A NEW AGE OF EMPOWERED EXECUTIVES

In the past, company representation was the exclusive domain of public relations offices and the CEO. By contrast, in today's fast-moving environment, the age of the discrete business executive is over. She or he is expected to represent company news and initiatives authentically: to be the human face of a corporation. Remarkably, however, while over half of people questioned in the survey tended to follow a senior brand and business executives because they are interested in their company, brand and products, only one in six respondents said they could relate to those executives. This suggests an opportunity for more finely-tuned messaging, to ensure that business leaders connect more effectively with everyday people.

Empowered executives in the C-suite and beyond should seize this opportunity to leverage online reputation in innovative ways. Executives seem to understand that to grow their career prospects they must have an active social media profile, making the relationship between CEOs' physical and digital persona and reputation clear-cut. The numbers also support that awareness, with a healthy 63% stating "that an active professional presence can help their careers" (Qnary, 2017). Therefore, all managers in a company can and should believe in the value of engaging, authentic communication and have a holistic outlook with regard to the company's goals and objectives.

“
The age of the discreet business
executive is over and in its place has
come an expectation of transparency
and responsiveness.
”

MOVING FROM CELEBRITY TO CREDIBILITY

While star executives still exist today, the real story is not one of executive celebrity, but rather credibility. The visibility of the C-suite means having a more significant public presence but carries with it the critical task of communicating with greater purpose. Google's CEO Sundar Pichai, for example, has been an advocate for diversity, showing support via his social media channels for issues such as the rights of transgender troops after the White House moved to ban them from the US army. And it matters: echoing other studies, a recent report³ in the UK found that almost a quarter of Brits believe a company's values, actions and corporate reputation are just as important as its product attributes and features – and the vast majority of this group (94%) place a high value on the opinions of leadership which, they say, directly impact their purchasing decisions. These so-called *CorpSumers* also expect brands to take a stand on social and policy matters (93%), and 73% would share the company's information on social media as a result.

Another example of corporate advocacy can be found in Denise Morrison, CEO at Campbell's Soup. She believes in fresh food and ingredient transparency, and is a CEO leading with a clear purpose. "In 2017 Campbell's left the GMA due to its stance on GMO labeling that no longer aligned with Campbell's values – Morrison told investors that *the move was not for financial reasons but instead was driven by purpose and principles* (RepTrak, 2018)."

Clearly, organizations will reach their own comfort zones with regard to corporate executives taking a stand on social issues, but the point is that some response to external events may be necessary, and indeed beneficial to the corporate brand.

DRIVING PURPOSE WITH EMPLOYEE ADVOCACY

The term *Employee Advocacy* has gained in popularity in recent years and is now widely used to denote the process by which employees are enabled and sometimes required to visibly represent the organization through social media.

33% of our respondents thought employees should be encouraged to act as advocates for their companies. 20% also believe that advocating for your company online can currently look staged or forced.

³ MWWPR and Wakefield Research, September 2018

Yet the most compelling advocacy is not part of a workplace directive but given of its own volition by a motivated workforce. Crucially, reputation advocacy should be genuine and compelling if it is to be effective. Some 33% of the survey's respondents thought employees should be encouraged to act as advocates for their companies, with one in five saying they would do so if senior management were to lead by example. Yet 20% of our respondents also believe that advocating for your company online can currently look staged, or forced. The key here is to encourage and enable business leaders and employees to bring their human to work and positively advertise their humanity, instead of hiding it, through the sharing of social media content that is authentic, open and creative. The companies that empower and enable employees to do so in a friction-free way, will be the ones that reap the reputation rewards.

“ CEOs who take a stand, which aligns with important public policy issues – especially related to measures about citizenship and governance – rank disproportionately. *-Stephen Hahn-Griffiths, CEO, RepTrak* ”

WHEN CRISES STRIKE

“In an economy where 70% to 80% of market value comes from hard-to-assess intangible assets such as brand equity, intellectual capital, and goodwill, organizations are especially vulnerable to anything that damages their reputations” (HBR, 2017). The best way to deal with crises regarding CEOs' digital reputation is to be proactive and have a defined plan for how to address an array of problems. The second best way is to be responsive to high-touch customer concerns online and transparent about how they are addressing these issues (Forbes, 2013). A thoughtful, timely response or apology from the CEO will do wonders for their digital reputation as well as the company's. According to The Retail Consumer Report (2011), “of customers who received a reply in response to their negative review, 33% turned around and posted a positive review, and 34% deleted their original negative review.” It is crucial for the CEOs' responses to be authentic and sincere given that disingenuity can create an entirely new problem.

“

Over the past decade, the Internet, mobility, and social media have upended traditional ‘command and control’ marketing. The pendulum has shifted dramatically to individuals... as the voices of their companies. As a result, traditional company branding and digital marketing efforts are no longer sufficient. Especially in B2B environments, executive branding is now considered a necessity.

-Steve Olenski and Kent Huffman, Forbes

”

THE IMPACT IS ON THE BOTTOM LINE

The development of a digital executive reputation is a business priority. It is no longer about fame generation or career development, but a core gain that influences corporate reputation and achieves tangible business results.

Given today’s expanded media context, it is imperative for C-level executives to communicate a company’s purpose and values to audiences both internal and external – just as marketing teams promote their brands while protecting and growing their value. Digital reputation is no longer a *nice to have*: it is now a *must have*.

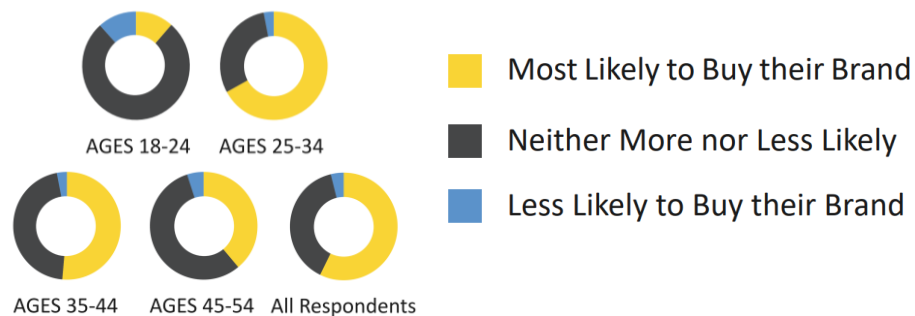
Online executive reputation is increasingly meaningful in the valuation of companies and in turn, influencing consumer choice. Research suggests that almost half of a company's market value is attributable to reputational capital. An excellent executive reputation has short, mid and long-term business gains.

In fact, research shows a direct correlation between a company executive’s social media influence and how likely a consumer is to buy a product from it in the future (or how likely they are to recommend that company to a friend). From the answers of 6200 respondents of the survey, some key factors can be established:

- Almost two-thirds of the sample said they would be more likely to recommend a company or brand if they followed a company executive on social media.
- Respondents stated that a business executive's presence on social media positively influences their purchase decisions.

- They also said that if they follow a senior brand or business executive on social media, they would be more likely to buy from that executive's company.

How has/would following any senior brand/business executives influence you?



STRATEGIC IMPERATIVES FOR LEADERS

The obligation is clear – through their digital presence, a company’s leaders have an essential role in driving positive corporate reputation overall, and indeed in creating financial value. With this in mind, here are five critical recommendations that will help shape digital reputation strategy for an organization:

- **Be an activist**

There is a business benefit to taking a stand. The survey revealed that over a third of all respondents are more inclined to buy from a company if the executive they follow on social media takes a public stand on social issues. This was particularly pronounced in the UK, where almost half of respondents like to see business leaders take a position on social issues online, and are more likely to buy from those companies whose senior executives do so. (Perhaps surprisingly, just three in ten Americans said they feel the same.)

Why would you not follow any senior business executives on social media?



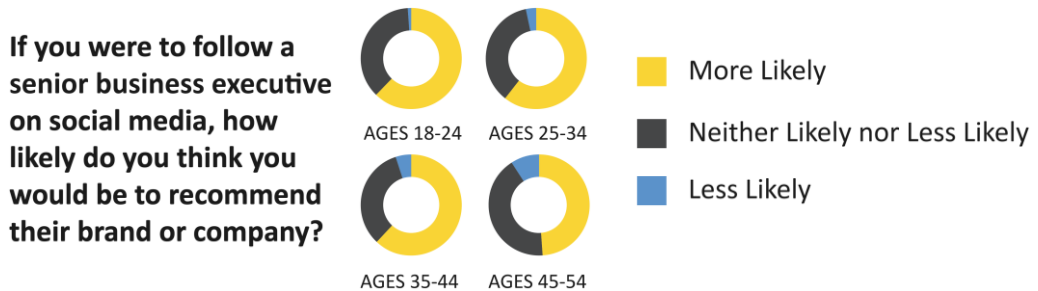
- USA
- Italy
- UK
- China
- Spain
- Australia

I do not agree with their views on social issues (e.g. gender, diversity, environmental, social responsibility, etc.)

- **Authenticity counts (a lot)**

The survey finds that UK respondents were the most cynical (23%) in that they were the most likely to think that online advocacy looks staged. However, they were also are most likely (18%) to support the view that company advocacy should be led from the top, by the business leaders, perhaps indicating a strong

sense of hierarchy, or indeed an understanding of the evolving role of the C-Suite. (By contrast, in Australia, the survey finds a degree of skepticism with only one-third of the sample saying a senior brand and business executive would influence them to be more likely to buy their brand. It is likely that engagement will grow from this lower base, and it indicates a learning curve.) Whichever mindset is prevalent, it's clear that all executive communications should be perceived as human and accessible in order to capitalize on the rich benefits that are possible.



- **Move beyond the CEO**

He or she may sit at the head of a company, but other C-level executives, of course, have influence and credibility and can become a valuable part of the company digital reputation portfolio. In fact, globally, more than four in 10 executives (44%) believe a company's reputation is influenced by management other than the CEO while over half of executives in reputable companies (56%) believe a company's overall reputation is affected by the reputation of the senior management team, as opposed to one-third of executives (30%) in companies with weak reputations.⁴

“ Millennials don't buy things – they buy into things. They are making decisions based on what a brand stands for.
 -Rick Gomez, CMO, Target ”

- **Be sensitive to demographic and cultural differences**

There are specific generational and cultural differences to observe if one is to optimize business success. In the study, over seven out of ten Millennials were likely to recommend a company if they follow one of its senior executives on social media – but far fewer of the 45-54 age group felt the same. As digital

⁴ Weber Shandwick, 2016

natives, steeped in the interactions of Web 2.0, Millennials are more attuned to responding to companies online, and consequently, are almost twice as likely as the older consumers to be influenced this way.

95% In China, 95% of those surveyed there felt that following a senior executive would result in them being more likely to buy the brand.

Additionally, while there are significant global benefits to executive engagement, there are cross-cultural nuances and even substantial disparities in how people perceive and are affected by those messages. In our survey, China emerges as the country where an executive's online influence is arguably most closely associated with creating value: 95% of those surveyed there felt that following a senior executive would influence them to be more likely to buy their brand, perhaps a reflection of the Confucian emphasis on loyalty and honor. The learning is evident though – be and remain vigilant to the moods and sensitivities of different regional and cultural groups.

2X US respondents were twice as likely to not follow an executive if they disagreed with their position on social issues, versus respondents in the UK.

TRENDS THAT WILL SHAPE THE FUTURE

- **Social media will continue to outpace traditional media**
Much of the growing importance in and focus on executive reputation is down to the rapid expansion of social media, which of course gives customers and stakeholders unprecedented access to companies and their personnel. The survey finds that more people than ever rely on social media versus traditional media for updates on business leader's views and that this was most common among 25-34-year olds (70%) and in China, where five in six people track business leaders' views via social networks. As publishers continue to struggle to thrive financially, and social media continue to not only drive the distribution of news but also how it is reported, it is safely assumed that an established digital reputation will become ever more vital for tomorrow's business leaders.
- **Women leaders will help reshape executive reputation standards**

A key finding in the study was that women are more likely to follow executives that have a sense of social and ethical purpose, with 25% of women more likely not to follow any senior brand and business executives on social media if they did not agree with their views on social issues (such as the environment, diversity and corporate social responsibility.)LS

25%

Women are 25% more likely than men to make choices about which business leaders they choose to follow online, based on an executive's standpoint – or lack of – on social issues.

- **Business environments will become increasingly connected**

The most highly regarded executives are trustworthy and ethical, scandal-free, media-friendly and fundamentally relatable. Less highly thought-of executives rank far lower on these aspects, often retreating to their comfort zone and focusing singularly on the bottom line in their personal positioning and communications. As human beings, we are built to seek out emotional connections with others, and the workplace or the broader corporate environment should be considered no different from our everyday lives. Companies that recognize this enable a more human-friendly workplace and carry this approach through to their executive communications will retain the most productive, creative, and loyal employees, and invariably seize the competitive edge.

- **Digital executive reputation and employee advocacy will merge**

Responding to expectations around greater transparency and authenticity in communications, companies will increasingly identify and shape digital narratives for multiple leaders in their organizations, based on their strengths and interests – their executive equity. Understanding who in a corporation is best suited to seek to engage people around which issues will be essential for communications success, externally but also internally. In fact, digital reputation management and employee advocacy will increasingly come to be seen as one: part of a new wave of workforce advocacy that empowers employees and leaders to act as corporate communicators for their organizations on their personal social channels while aggregating their reputations towards a compelling whole. The sum will become more significant than its parts.

- **Cultural context will become increasingly important**

Social media may be a global phenomenon, but national, regional and cultural nuances should not be overlooked. For example, the survey finds that respondents in the US were more than twice as likely as those in the UK to

decisively not follow a business leader if they disagreed with their position on social issues. The Spanish meanwhile were least likely to think employees should be encouraged to act as advocates for their employer via social media (curiously, only half as much as their Italian counterparts). Predictably, this is also true of the younger Millennial generation (18-34) compared to those aged 35 and over, as you would expect from digital natives. Increasingly, these territorial and cultural factors will need to be heeded in company communications when seeking to engage employees and harness the power of their social networks.

CONCLUSION: A NEW ECOSYSTEM OF WORKFORCE ADVOCACY

There is a growing recognition of the importance of having a powerful digital executive reputation and an understanding of how it can be leveraged by business. The 6200 survey respondents proved that there is a growing interest and engagement with C-level executives, and showed that having a personal digital presence is a crucial company asset.

The importance of CEOs having a digital reputation has been magnified in recent years. Not only are executives viewed as more credible but “the perception appears to be that if they don't have a robust online presence they are not an active or relevant executive” (Qnary, 2017). Given that 90% of consumers “are more likely to try products from companies that take a stand on societal and public policy matters” and 80% are okay with paying more for those products, it is no longer an option to be engaged online because it signals that they care enough to take a stand on issues and topics of concern to consumers (MWWPR, 2018; RepTrak, 2018). An intentional online reputation is good for both the CEO and the company's bottom line.

This Gold Paper notes that the ecosystem of executive reputation is changing fast, and while it was once perhaps about creating profile, authority or fame, it is now a dynamic tool that positively influences corporate reputation and drives business results. When managed in a strategic way, leveraging existing internal resources, SaaS technology and a coordinated approach across the enterprise, we believe that digital reputation has the opportunity to drive both business results and cultural change within companies dedicated to a more human and transparent work environment.

A NOTE ON RESEARCH METHODOLOGY

The research that forms the basis of this Gold Paper was carried out online by Research Without Barriers – RWB. All surveys were conducted between 21 - 28 August 2018. The sample comprised 6200 people across Australia, China, Italy, Spain, UK and USA. Respondents were aged 18-54 and in full-time employment. All research conducted adheres to the UK Market Research Society (MRS) code of conduct (2014) and ICC/ESOMAR (international). RWB is registered with the Information Commissioner's Office and complies with the DPA (1998).

A HISTORY OF IPRA GOLD PAPERS

1. Standards and Ethics of Public Relations Practice, Herbert M. Lloyd (1973)
2. Public Relations Education Worldwide, Prof. Albert Oeckl (1976)
3. A Report on Public Relations Research, J. Carroll Bateman (1979)
4. A Model for Public Relations Education for Professional Practice (1982)
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15. First Five: PR's top issues by the world's foremost agencies (2005)
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17. Public Relations and Collaboration (2008)
18. The Changing Face of Executive Reputation, Bant Breen & Enric Ordeix (2019)



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