



*GEORGETOWN UNIVERSITY*

# Leadership in Communication

**REFERENCE BOOK**

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Georgetown University Graduate Studies

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# Leadership in Communication

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## NOTE FOR FALL 2012 CLASS:

## ‘NEW CORPORATE COMMUNICATION MODEL’

We are living through historic changes in how people communicate with each other and with businesses, how they form opinions and ultimately how they act. Observing these transformational shifts, the Arthur W. Page Society has worked over the past several years to document some of these trends in *The Authentic Enterprise* (2007) and the Trust Report (2009), and to propose new approaches to corporate communications. The New Model for corporate communication, as articulated in *Building Belief* (2012), aims to capture the changes that leading edge CCOs have created to help enterprises build and protect brand and reputation in this era of transformation and transparency. The model described in this report, which was publicly unveiled at the Page Society’s 2012 Spring Seminar, offers new guidance to communication leaders in helping their organizations succeed in a radically different 21st century environment. This model, to which your Georgetown University faculty and guest speakers will reference in the fall 2012 class, is still being developed. Students are invited to read the links in this note, with the understanding that you are looking in on a work in progress, as Page Society members continue their study and guidance in corporate leadership communication.

— E. Bruce Harrison and Judith Muhlberg, faculty, members, Arthur W. Page Society

## PREFACE

The focus of this course is on leadership in business communication.<sup>1</sup> We explore how successful companies are led and how effective communication in corporations operating in free-enterprise economies, particularly in the United States,<sup>2</sup> supports positive business growth, positive external reputation, and positive internal workplace cultures.

We zero in on two perspectives — the perspective of the person at the top of the corporation and the perspective of the person in charge of the corporation’s internal and external communication, which is also called public relations.<sup>3</sup>

We explore, analyze and form opinions on two critical questions: How do leaders communicate? And: How do communicators lead?<sup>4</sup>

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- 1 There is ambivalence both in business and in academic circles as to whether communication sometimes ends with an “s” (whether it’s singular or plural). We favor the singular form to emphasize that communication is both a necessary human function and a strategic leadership function; the term “communications” is most readily associated with systems — devices and channels that connect people, and are means of a company engaging with stakeholders and others.
  - 2 Companies based in the USA will be our primary focus and resource. This is not to say we won’t examine international companies or those based outside the US; indeed some of them are interesting studies in leadership communication (e.g., the Toyota crisis of 2010 where divided leadership — Japan and the USA — complicated strategies and execution of communication).
  - 3 In a subsequent chapter, we will draw on Page material and other resources to make clear the CCO role within the C-suite as an expert, counselor and leader.
  - 4 Much of the “book” will explain, and thus reiterate, the importance of communication as the necessary enabler.

## CHAPTER 1

### IS LEADERSHIP ACHIEVABLE WITHOUT COMMUNICATION?

Leadership and communication. In our view, they are almost one word. We will in this course offer proof for the proposition that organizational leadership cannot function without effective communication with stakeholders inside and outside the organization. Leadership communication is the process through which corporate leaders — in this course, basically, chief executive officers — connect with and, if effective, influence and inspire stakeholders.

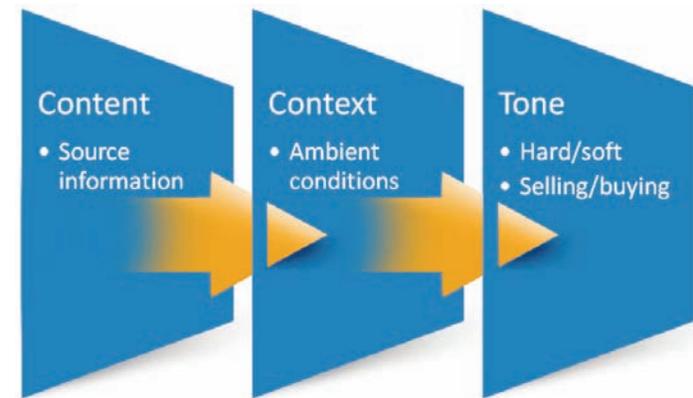
A famous public relations leader, Arthur W. Page<sup>5</sup> of AT&T, said more than a half-century ago, that in democratic societies, a company exists only if it has the permission of what he called “the public” and what we know as “stakeholders.” Page advanced the idea that “effective information” is required to gain this permission.

What is “effective information” at the corporate business level? We define it as the flow of strategic interactions that inform and influence corporate-stakeholder relations. The exchange of information is clear, constant, open, honest, two-way, and caring.<sup>6</sup> Content, context and tone are the structural elements of effective communication (see illustration, “Leadership Source Strategies,” page 7)

<sup>5</sup> Page was AT&T vice president, 1926-1941, acknowledged as one of the earliest, highly placed executives in a corporate public relations role; his principles are the basis for the Arthur W. Page Society.

<sup>6</sup> These themes are used throughout the course, and a chapter on Content, Context and Tone will provide examples and study targets.

### Leadership Communication: Source Strategies



To achieve maximum effectiveness among recipients (followers, stakeholders) communication originating in the company should pass through three strategic screens.

**CONTENT:** Ask, “what?”

What is our news or information?

**CONTEXT:** Ask, “where, when, why now, what now, what next, who?”

Where will this be seen, read and heard? In the communications channels and their respective and combined followers, what are the conditions surrounding the release of our information? Is this information expected, required? How will this release relate to or be influenced by existing information, opinion, conditioning?

**TONE:** Ask, “how?”

What can we do with the decided CONTENT of our information, and with a good understanding of prevailing CONTEXTS, to reach our followers or stakeholders in the best achievable manner — language, reassurance, openness? Does our “tone” of writing, stating and delivering “sell” to our followers or “buy” understanding, support, additional time and attention?

In short, we believe the purpose of leadership communication is to create and sustain stakeholders in the company. We see “stakeholders” as the employees, investors, customers and others who make some level of commitment to the company. While each individual or group has its own motivations or drivers,<sup>7</sup> they come to work, they buy stock, they buy services and products, or otherwise enter into a “deal” (win-win relationship) with the company and its leaders. They have a stake in the company’s success — and of course the company has stakes in the satisfaction and followership of stakeholders.

We will acknowledge various levels of “followership”<sup>8</sup> (a subject vigorously explored by Barbara Kellerman of Harvard in *Followership: How Followers Are Creating Change and Changing Leaders*; see reading list on page 50), and compare this concept with what we see as the advanced level of followers, to believers and advocates (a subject of study by the Arthur W. Page Society), to our focus on stakeholders.

Communication is two-way. A company needs input from stakeholders. We will examine the vital impact of *stakeholder perceptions*, affected by leadership communica-

tion, in the rise and the fall of presumptive leaders — and how this has been changed dramatically by the nature of communicating in the digital decades.<sup>9</sup>

We hold with the view that stakeholders are effectively arbiters of the company’s — and its leadership’s — level of success.<sup>10</sup> We analyze why this is true and, with our students, provide both evidence and exercises to show how effective leaders perform and communicate with stakeholders.

**Take Away:** We could change the name of this course. Instead of Leadership in Communication, we could call it — to make our existential point very clear: Leadership is Communication. And that fact inevitably requires leadership from expert communicators. There is fierce, essential interdependence in the leadership-communication calculus. Effective communication will influence support for the company’s leaders, its mission, its products, and, most important, its value-based deals with employees, investors, customers and other stakeholders.

*This course is about how corporate executives communicate in times both good and not so good, and how expert communicators lead in those situations.*

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7 *Drive: The Surprising Truth About What Motivates Us*, by Daniel H. Pink, is a recommended source for understanding employee, customer and other stakeholder motivations. See reading list. An interview with the author, by Maril MacDonald, is available at [letgoandlead.com](http://letgoandlead.com)

8 See illustration, “Followership: A View for Leadership Communication” on page 10

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9 The course is taught in the context of realities of modern social media and digital communication, with comparison to pre-digital conditions, especially in analysis of effective CEO communication.

10 Followers and followership are significant themes of the book, to which we will refer throughout, drawing on a great many resources, including notable research such as that done by Barbara Kellerman of Harvard, as well as the work of Joel Kurtzman whose interviews of thought leaders in the 1990s are contained in the Booz-Allen & Hamilton book, *Thought Leaders: Insights on the Future of Business*.

## Followership: A View for Leadership Communication



In this hierarchical view of followership, it is clear that Leadership Communication requires different approaches to engage effectively with followers or stakeholders.

**ALL IN:** C-suite executive leaders, top 100 managers, motivated by money, power, succession...buying heavily into the deal, accessible to leadership.

**PLAYERS:** Investors, analysts, employees...motivated by income, security, op...buying heavily into the deal...but able to leave, put other deals into play.

**BETTORS:** Business partners, suppliers, even some “government” (politicians) who have a stake in followership...but can be easily swayed....

**HOLD 'EMS:** Customers can also be Players and Bettors, but this delineation points to passivity: they buy the brand because they always have; it's a habit, hard to change, doesn't like betting. Long-time investors, who've held the stock forever, maybe following their parents “clipping coupons.”

## CHAPTER 2

### WHAT IS THE CHIEF COMMUNICATION OFFICER (CCO) ROLE IN CORPORATE LEADERSHIP?

In today's wide-open, interactive democratic societies, corporate executives understand that (a) their effectiveness requires them to be very good communicators and (b) they must rely on experts in effective communication — written, oral, visual, viral, live, video, personal and public.

How do expert communicators, through their position in companies, in close counsel with the leaders of those companies — in positions responsible for corporate communication, often now called chief communication officers (CCOs) — do their jobs and, in best-case circumstances, become leaders in the organization?

How do they become a substantial part of leading a company's success through ideas, strategies, counseling and execution of programs engaging stakeholders and followers?

In this course, we teach not only the way in which leaders succeed through communicating; we rely on what we know, and we rely on others who are successful CCOs (some of whom will come into our class) to explore how communicators become a vital part of the C-suite leadership team while putting together and leading an expert corporate function.

In effect, we let you try out for communication leadership. We explore with you your possibilities — what it

takes — to climb into and to succeed as an organizational leader, expert in communication.

What are the elements of expert communication performance in the corporate C-suite? *We will emphasize these three accountabilities as CCO essentials: Information flow, stakeholder perception and cultural influence.*

Here is a preview of these vital elements:

**Information flow.** Purpose of information in a corporate setting is to support positive business growth, positive external reputation and positive workplace culture. The effective CCO conceives and manages the content and flow of information, internal and external, to engage and influence the company's stakeholders. Ideally, the *content* of company messages — starting with leadership communication — will be consistently timely, open and honest. The CCO will understand and deal with *contexts* — timing, external factors that compete with or confuse content, all the often uncontrollable factors that shape the impact and acceptance of information, to and from the company. He or she will also be sensitive to the *tone* of information — the style, the way information is presented, especially when it is oral (as in a leader's speech); when it is in a news release (as a direct quote from leadership); or when it is presented by the CEO, CFO or others during a quarterly phone conversation with financial analysts<sup>11</sup> — and will edit, coach or counsel toward win-win outcomes.

**Stakeholder perception.** “Stakeholders” are followers who have a stake in the outcome of the corporation's success or, for example, customers who rely on a company product to deliver a benefit; at best, followers are believers in and advocates for the company, its goals, its products or services. This means that stakeholders are constantly, if at times inconsistently, evaluating some aspect of the corporation's performance or delivered value. Misperceptions can be negative enough to shake or break the stakeholder value deal. The CCO finds ways to measure stakeholder engagement. He or she is the C-suite's expert in stakeholder perception. Knowledge about the impact of company goals, intentions, outcomes — in short, its leadership and performance — enables CCOs to counsel leaders and lead communication that influence accurate, positive stakeholder perceptions.

**Cultural influence.** Culture, according to the author Fareed Zakaria, is “the shared historical experience of people that is reflected in institutions and practices.” In other words, it's “how we've done it and how we do it here.” Positive cultural traits — openness, teamwork, trust in management, trust in fellow workers, factors such as safety at all operational levels — can be influenced through counsel, collaboration and leadership communication. Negative factors and disconnects in the company's infor-

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<sup>11</sup> Here is the transcript of a 2012 earnings call involving investment analysts and General Motors executives: <http://seekingalpha.com/article/775021-general-motors-management-discusses-q2-2012-results-earnings-call-transcript>

mation flow have a deleterious impact on culture (for example, operational accidents or faulty financial record-keeping). CCOs are a force for improvement and, with support from top management and the strength of leadership communication, can achieve cultural change. Our focus will be on the CCO's ability to understand the huge impact of corporate culture and to factor into leadership communication strategies to lift the internal culture to productive levels of attitude and performance.

### Information. Stakeholders. Culture.

While these seem to us to be the Big Three in the CCO's mandate (in addition to day-to-day work managing activities and people, setting standards for performance, attitude and team strength), there are other, often more nuanced, ways in which communicators lead in the corporate structure, as counselors, collaborators, thought leaders.

Leadership communication must adjust to transformational management, technology and many other developments. We are aided in this adjustment — opportunity is the better word — through the work of active CCOs in the Arthur W. Page Society, such as its description of the “new model” of corporate communication.

The society's namesake and inspiration, Arthur W. Page, in charge of public relations at AT&T during a time of elevated challenge to corporations in the 1930s, was a thought leader. Counseling management on engaging with

stakeholders, he went on to write a book<sup>12</sup> that advanced the right and obligation of companies to engage their publics (stakeholders) to protect their earned status and reputations.

Thought leadership among today's CCOs is implicit in the surging new communication model of the CCO, as advanced by leading CCOs and organizations such as the Page Society.<sup>13</sup> As the value of strategic corporate communication is better understood among CEOs, other C-suite executives and board members, CCOs will assume greater responsibility and requirement for leading.

These ideas and principles will be discussed in the light of current reality. While we study case-histories, precedents, thought leaders from the past (as every profession does), we must deal with what is and, if we can look ahead and define it, what is likely to be. Our speakers and updates through our internet site will plug into what's happening now, and what insights are discernible on the course of contexts ahead.

If you are considering a job or career in public relations, especially as the chief communication officer, our

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<sup>12</sup> *Bell Telephone System*, a book by Page, was published in 1941 by Harper and Brothers. It dealt with the government investigation of AT&T and the Bell System, which ended in 1939 with a watered-down report to Congress that basically cleared the companies of unethical or illegal behavior.

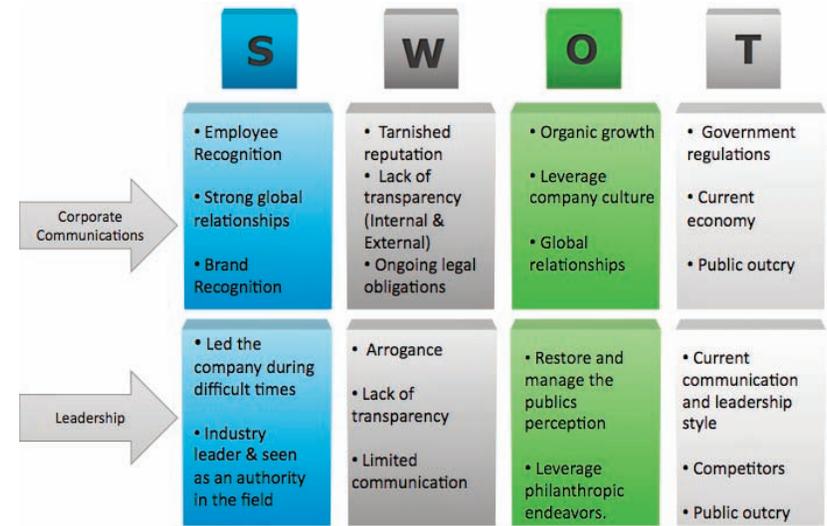
<sup>13</sup> The Page Society's qualification for membership in the non-profit or government member category, is that the prospect “be considered a thought leader in communications, supported by published articles, speaking engagements and spheres of influence.” A similar evaluation is used in selecting recipients of the Society's *Distinguished Service Award*.

discussions and visiting lecturers should prove helpful. Our speakers, your professors, and websites of relevant organizations will provide resources. We recommend a first visit to Ron Culp's site<sup>14</sup> on PR careers, which has a convenient list of other useful sites.

Our classroom exploration begins with analysis. We will enable you to examine companies and their leaders, evaluating communication methods, styles and effectiveness. Through teams analyzing assigned companies, class members will analyze strengths, weaknesses, opportunities and threats (SWOT, see illustration on page 17), and will report — as if to company representatives — on findings and recommendations.

<sup>14</sup> Culp, a former CCO, counselor, Page Society leader, and now college faculty member in Illinois, collects information and blogs on PR careers at [www.culpwrit.com](http://www.culpwrit.com)

## SWOT Analysis



Example of a Strength-Weakness-Opportunity-Threat analysis, addressing both Executive Leadership and Communication Leadership of a selected company.

### CHAPTER 3

## VICTORY: SEVEN LEADERSHIP TRAITS

How does a corporate leader succeed? In his book, *Good to Great*, Jim Collins found the one-two winning combination for building a company's enduring greatness: a fierce, professional will and a comfortable, personal humility.

For all leaders, whether or not they meet the Collins “level 5 executive” model, one outcome that must be pursued is what we can describe simply as victory: beating the competition, meeting stakeholder expectations, building a motivated team, and executing strategies that sustain an exemplary, authentic enterprise.

Effective leadership communication reinforces deal-binding values shared by the company and its followers (stakeholders, believers, advocates). The company's dedication to win-win outcomes needs to be constantly communicated, proven and protected.

With the seven letters of the word VICTORY as a mnemonic, we can recognize seven qualities or personal traits of sustained leadership, with ongoing involvement of expert, winning communication. These traits are especially designed for this leadership communication course because they typify the way in which chief executives and chief communication officers are able to collaborate.

**VISION.** A survey by Charles Farkas and Suzy Wetlaufer<sup>15</sup> found relatively few CEOs describing themselves as the corporation's chief visionary. However, how else to describe the leader who looks at the future for the company, and, from where he or she is standing, points to what is required, possible and achievable? Leader A sees a path for a company recovering from a slip and rising to a front position. Leader B points toward product strategies that will engage with developing government interests. Leader C envisions a trusting and productive sales method that will lift the company to success. Forward thinking — thought leadership — sets the course for the company. So, as the company's expert communicator, our leadership communication genesis is the leader's vision; if the vision is successfully communicated, it is translated into missions, strategies and execution relevant to the company and its stakeholders. *CCOs use communication to light the path for the change that accompanies all business achievement.*

**INTEGRITY.** Trust and ethics (some would say “morality”) must flow from the top. Integrity needs to be a fundamental precept of corporate governance. It needs to characterize all areas of a company's culture and performance. Leadership vision, missions and communication are enabled or disabled by their levels of honesty, truth and fair play. The leader's first personal obligation is to assure that his or her word is a bond. Followers — beginning

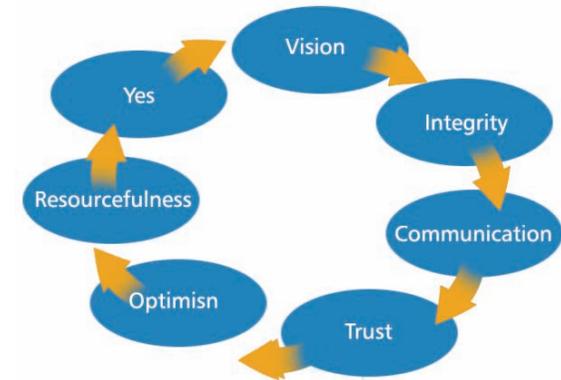
15 *The Ways Chief Executive Officers Lead*, in Harvard Business Review on Leadership, Harvard Business School Press, page 115.

with those closest to him or her — look to the leader for direction as to what is acceptable and what is not. Former (Medtronic) CEO Bill George (see his books on leadership<sup>16</sup>) says authentic leaders set the model for others by demonstrating their passion and their purpose, practicing values of respect and honesty consistently. “They know who they are,” as George puts it, and others do too. *CCOs are action agents for integrity, which is the bedrock of authenticity.*

**COMMUNICATION.** To repeat a verity, there is no leadership without communication. Even the leader who tries not to communicate, not to show his hand in some situations, is communicating by that reticent strategy. And yet, while every leader — and certainly every CEO of a public company — knows this, communication competence is not automatic; it doesn’t come naturally to some who move toward leadership; and it can be mishandled or neglected, to the leader’s and the organization’s loss, especially in times of stress. There is more and more evidence in this wide-open age of communication that poor executive communication or gaffes are a significant factor in leadership change. Expert communication counselors — chief communication officers in modern corporations — help leaders to lead in the interplay and engagement with stakeholders. This creates greater demand for expert communicators, close to all leaders. *CCOs are expert in the winning*

16 Authentic Leadership: Rediscovering the Secrets to Creating Lasting Value, Jossey-Bass; George served as CEO of Medtronic.

## Leadership Victory Circle



*dynamics of content, contexts and tones of the leader’s communication obligations and opportunities.*

**TRUST.** Of all the factors binding leadership to followership, wins to wins, values to values, trust is paramount. The number one reason followers give for following an individual is “I trust her (or him)”. The leader must be trusted to act and deliver, to be as good as his or her word, to be worthy of followership. This quintessential condition, however, is a two-way street. The other direction is that in which the leader respects and trusts those he or she wishes to engage. Inside the company, the trustworthy leader trusts — declines to micromanage — team members to carry out their jobs related to visions and missions. Stakeholders, from colleagues to employees...from investors to customers, are bound to leaders, in whatever their followership capacity, through trust. CEOs, old and new, know this. Warren Buffett invites full engagement with stockholders at an event in which he is open to direct

questions and conversations. Tony Hsieh builds his Zappos shoe and clothing business by trusting customers to buy or return products sent to them on inspection. *CCOs keep the flame of trust alive in the C-suite and in the stakeholder ecosystem through advocacy and the practice of open, two-way, positive and authentic leadership communication — with a special emphasis on the feedback loop.*<sup>17</sup>

**OPTIMISM.** This is the emotional driver of confidence. We see optimism as the handmaiden of reality. The business executive describes current reality and provides hope or optimism about future achievement. Nobody follows a pessimist. Colin Powell, with a distinguished military and public-service career, summed it up in his 2012 book, *It Worked for Me*.<sup>18</sup> “Optimism is a force multiplier,” the former general and Secretary of State said; it brings greater energy and power to the force of followers to achieve goals. When things went wrong with a trusted executive, Warren Buffett accepted that reality and...he assured followers that one bad actor in his management team would not spoil the company’s prospects, and he is famous for saying, “If you lose dollars for the firm by bad decisions, I will be understanding. If you lose reputation for the firm, I will be ruthless.” Allan Mulally, CEO of Ford, reinforces statements about the future by consistently coupling them

with “proof points,” and he is famous for saying, “The data will set you free.” Followers need to see in the leader the strength of belief in achievement. There is a caveat. As with all aspects of communication, optimism must be authentic. A 2011 research study showed how a CEO’s over-enthusiastic outlook, expressed on a quarterly call with investment analysts, can backfire. Phony optimism kills trust. *CCOs collaborate with leaders to describe reality and provide an authentic case for optimistic outcomes.*

**RESOURCEFULNESS.** This trait is not talked about much. Maybe it is because resourcefulness is frequently coupled with another “R” — risk taking. Effective corporate leaders are transformative leaders (long ago identified as the most effective kinds of leaders by author, teacher and political leader James MacGregor Burns.<sup>19</sup>) Because they drive change, which is always necessary, and because change always involves risk, transformational leaders take calculated risks. In doing this, they are resourceful in redefining goals for competitive sustainability. A Harvard Business Review commentator, John Baldoni, puts resourcefulness at the top of the skill-set keys to leadership. He says resourcefulness is optimizing what you have to work with. It’s the ability to stay open to change and to “redefine the possible.” He cites the co-founder of India’s

17 In a 2003 report of a coalition of major public relations organizations, entitled *Restoring Trust in Business: Models for Action*, recommended that CCOs report to CEOs on trustworthiness in behavior and communication, and have access to boards of directors “to provide the broad perspective needed to balance conflicting interests.”

18 See reading list

19 In 1971, Burns won the Pulitzer Prize and the National Book Award for his biography, *Roosevelt: Soldier of Freedom* (1970). His book, *Leadership*, published in 1978, is still considered the seminal work in the field of leadership studies. His theory of transactional and transformational leadership has been the basis of more than 400 doctoral dissertations.

\$2 billion IT service company, who helped fellow Indians to realize how they could refocus and leverage their talents to empower themselves to fulfill goals. Resourcefulness is the leader's ability to act effectively, even imaginatively, to keep the company on a victory path. *CCOs stay close to the business, so they are aware of the need for change, and to execute transformative communication.*

**YES.** Harvard professors wrote a negotiation guide entitled, *Getting to Yes*, which supports win-win outcomes. “Yes” — reaching equitable, value-based agreement with all desired stakeholders — needs to be the money shot for business leaders. Management experts such as Baldoni and Ram Charan remind us that the leader who steps up and says “yes, we can do this” is one who can push colleagues to do things that some might consider impractical — or even impossible. While the management style of Apple's Steve Jobs may have personified the possible limits of this leadership trait, there is no doubt that a leader's persistent drive for results that excite (or, to use author Guy Kawasaki's phrase, *enchant*<sup>20</sup>) stakeholders, providing them with the joy of realized values, is a compelling leadership factor.

Leaders need to keep in mind the truth that a win-win deal is constantly in play. Both companies and stakeholders are always negotiating the proposition that can be simplified into the question: “*What's in it for me?*”

Kenneth R. Feinberg, who has negotiated settlements in disputes such as the BP oil leak crisis in 2010, has succinctly described his process: “One, know the facts. Two, be dogged (persistent). Three, keep an open mind. Next, be creative in getting to yes.” This is not a bad recipe for leadership as chief executive or connecting with stakeholders as chief communicator. Feinberg ends his summary with the tell: “Finally, a very important basic proposition: (In negotiating,) put yourself in the other person's shoes.”<sup>21</sup>

Dick Martin, author and former CCO of AT&T, makes the win-win point in the title of his book, *Otherwise*. Leaders of companies — executives and communicators — will be “wise” to engage, understand and respect the “others” who influence and define the victory of leadership touched on here. *CCOs, experts in information flow, stakeholder perception and culture, will keep leaders aware that the “other” person is an active agent the corporate success; she will ask the question, how does the deal, as stated and proven, feel to others?*

No leader has all these traits, and certainly not in the same measure. The lesson reinforced by this mnemonic is that leaders and communicators are enabled for victory shared with stakeholders when qualities like these are active.

20 Kawasaki, Guy, *Enchantment: The Art of Changing Hearts, Minds, and Actions*. New York: Penguin Publishing Group, 2011

21 Feinberg, Kenneth R., How to Settle a Dispute, as told to Spencer Bailey, *New York Times Magazine*, p.9, July 29, 2012

## CHAPTER 4

## HOW COMMUNICATORS LEAD IN THE C-SUITE

In this course, we are particularly interested in how the success of chief executive officers and others at the top of the corporate organization — “victory at C-level” if you will — is achieved in collaboration with chief communication officers.

In our view (learning from peers, and having the direct and personal experience of having been chief communication officers), the following behaviors of CCOs increase their effectiveness and influence in the C-suite.

- **CCOs establish expertise.**

CCOs are — and confidently act as — masters of information flow, stakeholder perceptions, and culture shaping aspects affecting fellow leaders.

- **CCOs become the reliable source.**

You are the “go to” C-suite source on current stakeholder perception, competitor communication, and know-how for media, bloggers and all other putative stakeholders and influencers who could react to newsworthy actions and decisions.

- **CCOs talk truth to power.**

A leader needs a few special and trusted people around her who will tell her the truth. Not everyone is capable of being available, open and honest with the CEO and other C-suite leaders. You bring up issues, and you are not afraid to address tough questions (*e.g.*, CEO standing, compensation, viability) directly, completely and

with respect — and with options for best achievable outcomes.

- **CCOs know the business.**

It’s absolutely essential to understand what other leaders in the C-suite understand about the business “winner or loser” factors — with emphasis on the performance metrics. An MBA helps substantially, but any well-focused financial knowledge is a minimum requirement for respect and influence in the C-suite.

- **CCOs become a risk management contributor.**

First, understand how risks are perceived and evaluated<sup>22</sup> by others (CFO, COO, CEO, chief legal counsel) in the C-suite and think about how you can add value. Contribute to your peers what your professional intelligence gathering in the stakeholder ecosystem reveals about perceptions that can escalate into risks to the corporation.

- **CCOs are long-term strategists.**

C-suite players focus on the *direction* and *scope* of the enterprise over the *long-term*. Ok, you help to put out fires, but you’re not just the fire department. Your expertise, your knowledge of values and expectations of stakeholders, your grasp of market competition, and your leadership in providing resources (skills, facilities) make you a strategic player, a collaborating leader at the top of the company, with a communication plan that is strategically tied to mission.

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<sup>22</sup> For risk management information on any public corporation you are studying, obtain the annual report 10-K, submitted annually to the Securities & Exchange Commission, and communicated to stakeholders. Risks to intended results are explained, often in detail.

## How Communicators Lead: 'Authentic Enterprise' Era Reveals new Roles for CCOs

In its Authentic Enterprise study report<sup>23</sup>, the Arthur W. Page Society drew on the original research it conducted among CEOs, the experience of society members who work inside or counsel those who work at high levels inside major corporations, and a broad range of studies and perspectives to conclude that:

- The converging forces of technology, global integration, multiplying stakeholders and the resulting greater need for transparency are the most important communications challenges facing 21st century companies.
- The communications function has evolved over the past three decades, and is achieving increased stature within the corporation.
- Chief communication officers (CCOs) are no longer in control of their traditional spheres of professional activity. Indeed, all business functions are at the dawn of an era of radical de-professionalization.
- Corporate communicators are uniquely positioned to become experts on the new and changing dynamics (both art and science) that impact organizational trust.

Looking ahead, what does this mean to CCOs?

The Page report identified four areas—priorities and skills—in which chief corporate communicators are uniquely positioned to assume strong leadership roles:

- **Culture:** Leadership in defining and instilling company values
- **Stakeholders:** Leadership in building and managing multi-stakeholder relationships
- **Channels:** Leadership in enabling the enterprise with “new media” skills and tools
- **Trustworthiness:** Leadership in building and managing the trust a successful company must have, in every dimension of that quality

Commenting on the outlook for communication leadership, authors of the Page Society study said: “We believe that our profession is in a strong position to succeed in the 21st century. None of the new roles we have described is currently the responsibility of an existing department, and our evolution as a function has prepared us well to take them on. Although success will require new approaches, deeper business knowledge and new skills and measurements, we are ready for this moment.”

<sup>23</sup> Authentic Enterprise: Relationships, Values and the Evolution of Corporate Communications, an Arthur W. Page Society Report, June 22, 2007, a task force research project on the evolving role of the senior communications executive in 21st century business.

## CHAPTER 5

### MISSION COMMUNICATION: THOUGHT LEADERSHIP

Winston Churchill, who eased his leadership stress by painting, once said to the British Parliament during a debate on the status of the war, “It is a good thing to stand away from the canvas from time to time and take a full view of the picture.”<sup>24</sup>

The process of leadership, and its engine, leadership communication, is enabled by thinking; as the proverb has it, by looking before leaping. Thought leadership is a stand-back-and-view perspective. In our study, it refers to concepts generated by external thinkers as well as those leading inside the organization. Academics and management consultants are now a common contributor to strategic communication and successful performance.

We see this as a positive continuum — thought leaders generate management vision and ideas that drive change and successful corporate action. We also see this as a considerable influence in the growing effectiveness of leadership communication.<sup>25</sup>

<sup>24</sup> Quoted in “Churchill on Leadership: Executive Success in the Face of Adversity” by Steven F. Hayward, Prima Publishing, Rocklin, CA, 1997. We will reference Churchill on both leadership and communication success.

<sup>25</sup> In a subsequent chapter, we will get into vision statements and mission statements, with examples of “gauzy visions” and eagle eye missions as well as misplaced mission leadership (‘Bridge on the River Kwai’)

Company executives, dedicated to agenda-setting,<sup>26</sup> try to motivate followers through vision and mission statements.

As you will learn in the course, we respect the observation that too often when the leader talks about vision, followers' eyes glaze over. (One wag commented that “visions” without execution — moving toward a desired outcome — are actually “hallucinations.”)<sup>27</sup> The point is to keep an overarching vision alive and relevant through agreement, communication, focus and reward through specific achieved missions.

We will study various companies' vision statements, and make some distinction between vision and mission statements, for two reasons relevant to leadership communication (see illustration, “Leadership Communication: Thoughts lead to Action” at the end of this chapter).

**First, it seems to us that the clarity or precision of mission statements tend to focus on best achievable outcomes (BAO) current inside the company.** While the overarching vision may be, in effect, “Visualize that far horizon, how great we will be one day,” a current mission statement may be motivated by a current BAO: “We plan to take that hill this quarter (year, etc.)” Internal commu-

nication as well as external guidance effectively hew to missions, plans and motivational communication.

**The second reason is that missions can be explained by executives and communicators in terms of value.**<sup>28</sup> We stress that all leadership communication is tuned to stakeholder value. It describes, conveys the win-win aspects and sustains the deal, as perceived by stakeholders.

And, as we've said, stakeholder perception management is a primary responsibility of chief communication officers. It begins by engaging stakeholders with well-reasoned information on the mission. Stakeholder communication can convey answers to the inevitable stakeholder question: “*what's in it for me?*” Belief in the deal — to work for the company, to invest in its stock, to buy its products and services — is built and sustained through perceived value. Stakeholders are given a way to judge or measure the potential yields of their individualized deals — as employees, investors, customers and such — if the mission is achieved.

When the CCO understands stakeholder views — by monitoring and engaging directly in stakeholder conversation through old-line and online media — he or she can

26 A preeminent management thinker of the 1990s, Dr. Michael Hammer, former MIT professor, spurred business leaders to set *The Agenda* (Crown Business Books, 2001) to “dominate the decade”.xi

27 In her book *Supercorp*, Rosabeth Moss Kanter (Crown Business) describes the way in which corporate leaders — in companies such as IBM — engage employees in bringing visions down to earth, putting them to work as missions.

28 Vision is converted to mission at least once year in the first several pages of many companies' annual reports. In evaluating a company's leadership communication, its content and tone, its explanation of the win-win value deal with stakeholders, its language of leadership, an analysis should include study of the “chairman's letter” in the annual report.

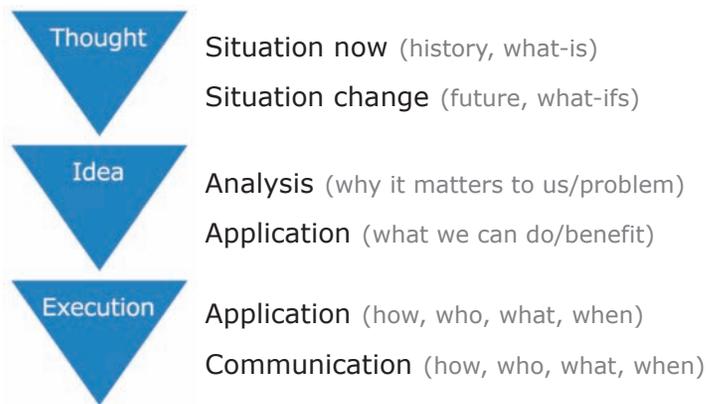
## CHAPTER 6

### INFORMATION FLOW: REASSERTING THE ROLE OF CONTROL

be a valued professional *counselor and collaborator* in the C-suite. Great thoughts can be effectively converted to successful ideas and missions only with the facility of strategic communication.

Thought leadership, translated by viewing the big picture and converting it to ideas and action achievable in the current mission is where leaders at the top of the company — including communicators — shine.

#### Leadership Communication: Thoughts Lead to Action



Thought leadership moves through stages toward executing within the context of the organization. Thought leaders may be inside the organization, but more often they are outside — academics, social and business analysts and others who take mega-views or sector views of situations, and communicate their perspectives. Organizations — business companies and other organizations — draw from these perspectives, analyze them within the organizational contexts, and arrive at ideas to solve problems and seek new benefits. Ideas become products, services, ways of executing, and they become leadership communication drivers.

The chief communicator is information central. She collaborates with others in the C-suite to design strategies, shape messages, put comments together with appropriate sources in the enterprise, prepare the internal source executives for response, put together talking points, line up media outlets for special attention — and in many other ways attempt to assure appropriate control over the vital communication process. In the flow of information between the company and its stakeholders, the CCO might well be regarded as the company's gatekeeper.

However, that image — of CCO as gatekeeper, implying control — is now roundly deemed as shaken.

Amazon.com CEO Jeff Bezos, interviewed in 2012 by author and columnist Tom Friedman, described the current landscape for business and information. “I see the elimination of gatekeepers everywhere.” Bezos was actually referring to cloud computing where anyone anywhere can use Amazon's open portals to do many things — sell things, get jobs, start a company, self-publish — all without intermediaries.

The open-access principle holds for enterprise information. Internet portals, personal communication devices, endless chatter and the ease of leaks: these have changed the lives of corporate gatekeepers, in no instance more profoundly than that of the chief communication officers.

Companies — and their CCOs — are just one of many voices reporting, tweeting, tweaking and twisting business news and views.

So how do CCOs adjust to the incredible shrinking control they once might have had over information flowing to stakeholders? We suggest two avenues for adjusting to open-portal realities. They are *reliability* and *relevance*.

You go back to the deal — the values that bind leadership to desired followers: **What do stakeholders want to sustain their interest in your company?** They want reliable, trustworthy information. **When do they want it?** Now — or, more accurately, as soon as reliable information, from the source, is relevant to their particular interest.

### Reliable information: They Rely On Our Word

Alan Greenspan, who led the Federal Reserve Bank for nearly 20 years, was a powerful communicator. He was exceptional at connecting with listeners. He used two strong devices. One was artful phrasing that provoked a listener to think. The other communication device was to state a simple fact, a point that required no thinking; it merely reinforced a truth. An example of the first device was when Greenspan described a bullish Wall Street view on a matter of national financial significance as *“irrational exuberance.”* He stopped the presses, the media delighted in adding to the financial lexicon an offbeat, quirky, and memorable comment on a condition that may or may not prove to be realized or true.

As for an example of plain-talk Greenspanism,<sup>29</sup> an editorial commentary in 2012, recalled this 1999 comment from the Fed chairman: *“In virtually all transactions we rely on the word of those with whom we do business.”*

“Irrational exuberance” is word-smithing that evokes listener rethinking. Relying on the other party’s word in a business relationship, stated simply, requires little thought. It reminds the listener of an essential principle. It is accepted as truth as soon as it is heard. It is a verity. This is useful to consider as we think about leadership communication. In effect, it is the reason for corporate communication. It underscores reliability. The company speaks to the stakeholder in a truthful, plain-talk manner, where source reliability is king.

### Relevant information: What’s In It For Me?

The CCO’s ability to “see ourselves as others see us” — that’s to say, the stakeholders’ perceptions — keeps relevancy as a cardinal principle.

Your ability to have the most reasonable degree of control over information flow also means intimate knowledge of the channels and people that convey information. You will score best when your information is relevant to the interactive and old-line traditional writers, editors, content generators and re-generators.

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<sup>29</sup> “Bankers Gone Wild,” in *New Yorker* magazine (July 30, 2012), by James Surowiecki

Bottom line here is you are an agent of relevancy to the scales of value among those with whom your enterprise needs fair engagement.

### Employees: Our Most Reliable Sources

Harold Burson, dean of enterprise positioning, reminds us that every employee is the ultimate, presumed reliable source to somebody. The “Trust Barometer” findings, an annual survey by Edelman public relations, shows that an average employee is as much as three times more credible than a CEO as a source of information about the company. If you are the CCO, here’s where some of your control has not entirely eroded. Your information flow strategy has to start and be sustained within the potentially truest circle of believers and authentic communicators.

However, this is not a shoo-in. Reliance on employees as a credible source of information — effective truth-tellers and advocates — must be earned by leadership. Executives and managers must vest genuine trust in them. Trust is a two-way street. If you want employees to act as public advocates for the company, helping you strengthen the stream of reliable and relevant information, you need to exercise openness in internal communication. As Edelman argues (quoted in *Talk, Inc.* by Groysberg and Slind, Harvard Business, 2012), “When a leader communicates with employees, the goal should not be simply to talk at them. It’s allowing them to ‘talk out.’ You talk to them and then you allow them to speak more broadly. And then you benefit as well.”

When CEO Sam Palmisano took over as IBM’s chief years ago, he let thousands of employees have a say in what the company ought to be doing to keep pace with, and drive, change. CCO Jon Iwata now works with CEO Virginia M. Rometty on the ongoing employee engagement strategy.<sup>30</sup>

Asked by the *New York Times*’ Corner Office writer what leadership lessons he’s learned, Chris Barin, head of the IT cloud company, Appirio, said look first to company employees. “(Transparency) is a huge part of our culture,” he said, “and what I think makes a company and team really thrive and work.” The reference was specifically related to negative information, such as cutbacks, certainly the most relevant matter in any organizational culture. His point was broader: “You should never surprise an employee.” In fact, the goal is to enable employees to get in on the best achievable outcome by becoming reliable communicators, inside and outside the enterprise.

The CEO of Intertech<sup>31</sup> described his leadership communication guidance in a 2012 blog: “From the very beginning,” said Tom Salonek, “we have sought to instill a culture of openness at Intertech. Our employees are given a copy of communication guidelines the day they join our company. We so fervently believe in open, two-way com-

30 (See page 43 for Iwata’s lessons, drawn from IBM’s 100th anniversary communication; and note the emphasis on the company website [ibm.com](http://ibm.com) as the sustained reliable source.)

31 Salonek’s INC 500 firm is a seven-time ‘Best Places To Work’ winner. See: <http://www.intertech.com/Winning-Business/Articles/Tom-Salonek-Big-Biz-Show.aspx>

munication that we have gone to the trouble of writing down such principles as: Engage in direct communication. Venting to a third party doesn't change any situation and can disrupt office harmony. Address concerns, criticisms and wants to the appropriate members of the company.”

*(More on cultural assets as well as downsides — the peril of silos, of secrecy and marginalizing employees into distrust of communication — will be discussed in our chapter on the CCO's important role in influencing the company culture.)*

### Website: Our Best Hope for Control

We've talked about the *what*, the *when* and a potent *who* component of information flow. Let's talk about the *where*. If you as CCO are information central, where is your reliable, relevant switchboard? Where is the one place that your “gatekeeper” control has enduring clout? This has to be *the company website*. When stakeholders are pounded by less-reliable sources or sources that compete with you for reliability, you need to get them to your website.

As CCO, you know that curious publics—including the company's own employees — scanning the interactive media, googling, hitting hot links or just digital roaming — go to corporate websites to see what “they” (or if you are an employee of the company, “we”) are saying. Your job is to make your company's website the go-to place for reliable, relevant, timely, trust-building internal and external information.

**Take Away:** Information control is difficult. Virtually everybody is able to access or express all kinds of information and views about companies. The CCO's job is information flow strategy. The strategy, if it's effective, builds support and trust. It involves making your company — and we suggest especially the company website — both participant and the *reliable resource* in the constant conversation going on, essentially without your control, about your company. Control has become collaboration. The CCO helps keep the conversation honest (see page 68, Harrison commentary on the new realities for corporate communications).

**CHAPTER 7**  
**STAKEHOLDER PERCEPTION: READING THE MIND**  
**OF THE ARBITER**

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Stakeholder perception management is a primary responsibility of chief communication officers. It begins by engaging stakeholders with well-reasoned information on the mission. Stakeholders are given a way to judge or measure the potential yields of their individualized deals — as employees, investors, customers and such — if the mission is achieved.

“Otherwise” is the watchword, as Dick Martin, a former CCO at AT&T, says in his book by that name. Relevance draws on the CCO’s specialized effort to know, for each stakeholder group, the answer to the question “what’s in it for me?”, and on the CCO’s ongoing collaboration inside the enterprise, especially within the C-suite.

Your expertise in current stakeholder perception lets you aim company information toward their scales of value. Others in the C-suite don’t have the overview you do, since you monitor all the channels, but each of them does have a particular set of stakeholders in mind where there is news to be made, or news to which the company needs to respond. People in finance, led by the Chief Financial Officer, visualize investors — how they will react when they get this information. Operational or business section leaders think, *how will this be received by my customers, outlets, suppliers, business partners?*

The CEO ideally would want all stakeholders to at least understand the practical rationale and value of any particular origination — and in almost every case, she will have a discreet stakeholder in mind, such as those who watch the stock price and are sensitive to governance issues. You will quickly comprehend that board members are a prime stakeholder in information impact on company leadership.

Former CCO Elliot S. Schreiber<sup>32</sup> is among leadership communication experts who assert that sustainable corporate reputations come from producing value that meets expectations. He expresses this as the best achievable outcome: if leadership performance produces expected value, the company has reputational respect.<sup>33</sup> But where does this long tail begin?

As communicators, we must reel the leadership communication process back to the points at which stakeholders — and those who influence stakeholder opinion (analysts, commentators, the media: online and otherwise) — are given information.

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32 Elliot S. Schreiber, Ph.D., Clinical Professor & Executive Director, Center for Corporate Reputation Management, Drexel University, LeBow College of Business. He has served as counselor to corporate leadership, including his role as Senior Vice President and chief communications officer, Bayer Corporation. See his blogs, including “Not Building Reputation Squanders Shareholder Value” in the Arthur W. Page Society blog, Page Turner; he argues for effort to leverage “reputation capital.”

33 More on this when we study the highly salutary impact of financial performance on corporate reputation, drawing on the book by Phil Rosenzweig, *The Halo Effect* (Free Press, 2007).

**CHAPTER 8**  
**IBM'S CENTENNIAL MESSAGING:**  
**A LEADERSHIP COMMUNICATION MODEL**

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When C-suite missions and strategies are communicated, they will inevitably become translated into promises and propositions — in this course, we will also refer to these as “deals” — that set up value expectations among stakeholders.

CCOs must understand how content, contexts and tone of presenting mission-related information — e.g., financial target estimates, announcement of product, management or operational change — affect stakeholder perception.

The perceived value proposition is prime territory for the corporate communication team. When the CCO understands stakeholder views — by monitoring and engaging directly in stakeholder conversation through old-line and online media — he or she is enabled to provide professional counsel, as a strategic collaborator in the C-suite.

In 2011, IBM turned 100. Marking the occasion, the company produced a centennial book<sup>34</sup> and placed four-page inserts in major newspapers.

Jon Iwata, IBM's senior vice president, marketing and communications, provided your Georgetown University faculty the reasoning and work involved in this leadership communication achievement.

Iwata said, “We wanted to do something beyond a familiar anniversary celebratory ad. We didn't want simply to say, ‘We're here, and we're proud!’ or even ‘Look at IBM's storied history of innovation!’ Rather, we wanted to distill key learnings from our 100 years.”

The newspaper insert wasn't only “advertising,” Iwata pointed out. “Yes, we paid for the space,” he said, but instead of selling “we are defining IBM...as much for internal as for external stakeholders.”

Iwata made an interesting point: how a message posted publicly — which honestly, directly admits mistakes as well as citing accomplishments — can impact impressions and perhaps attitudes inside the company.

“It's one thing to have this kind of honest dialogue internally,” said the IBM CCO. “It's another thing to initi-

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<sup>34</sup> *Making the World Work Better: The Ideas that Shaped a Century and a Company and a Company* with an initial print run of more than 500,000 copies.

ate this kind of dialogue outside the firewall. When you do that, you're implicitly committing to remain in the public sphere. You're putting all your chips down on particular squares — of policy, of values, of brand definition. You're committing not just to continue looking like IBM...and sounding like IBM...even thinking like IBM...but to being IBM henceforth.”

Producing the piece took cooperation and, to quote Iwata, “considerable courage by our senior executive team — from Legal, to HR, to Finance, to our CEO. As challenging as the thinking, research, writing and design were for this insert, the most important work was to engage the company's management in its purpose.”

### Iwata's Lessons

Jon Iwata, an advocate of the CCO's emerging role as a “collaboration officer” in the C-suite, said the company's centennial communication effort required dialogue and engagement with many leaders in the company to assure the effort confirmed and advance corporate goals, strategy and values.

He drew these lessons relevant to leadership communication:

- **The key issue in any communication isn't the how, it's the what.** You can't turn a piece of promotion into an authentic expression through technique, no matter how artful. And craft is never a substitute for credible facts, data, evidence.

- **The most effective way to reach internal stakeholders can sometimes be in external venues, and vice-versa.** We hear ourselves differently when we speak in public — and the public experiences us differently when it hears us talking to others.
- **Defining corporate character is very, very hard. It's not enough to be eloquent.** You have to be right. Abraham Lincoln once said, “Character is like a tree and reputation like a shadow. The shadow is what we think of it; the tree is the real thing.” This work is about the tree.
- **If you're going to market the entire organization, the entire organization has to believe what you are saying.** Corporate communications worked collaboratively with other leaders to assure the presentations were accurate, in practice and supported.

We consider the strategic intent of IBM's special effort — to position the company as an authentic enterprise open and valuable to observers and followers — and the execution of an extraordinary outcome a model for study, not only for observing special events but for orienting a continuous process of leadership communication. You can view the insert and interact with highlights of the book through the company's website.

## CHAPTER 9

### INFLUENCE STAKEHOLDER PERCEPTION

Your job as chief communications officer is to *lead* toward the best achievable outcomes that provide value for the company and for its target or partnering stakeholders. We believe *leadership communication implies influence*.

We suggest that the CCO job is rooted in stakeholder perception, and boils down to three influential opportunities:

First, influence top management, including the CEO, to respect and take full advantage of the calculus of stakeholder perception.

Second, influence the content and communication of the *company-stakeholder value proposition* that is the anchor of stakeholder perception.

And third, influence the content and functioning of corporate culture — the company’s heartland community — toward *caring about all the stakeholders*, including themselves, and thereby sustaining open and accurate perceptions.

Now, why do we say “influence” instead of “counsel” or “help” or, in fact, “control”?

Maril MacDonald, a veteran counselor and former corporate executive, has made the point in a *PR Week* column<sup>35</sup> that the days of thinking you can control news flow are long past. Digital channels and open access have

<sup>35</sup> Prweekus.com, June 2009; *PRWeek*, New York

blown away any illusion that the CCO can promise management any specific communication outcome.

Recognizing the futility of thinking “control”, MacDonald recommends communication influence strategies, with a special need to leverage influence by encouraging employees to tell the company story.<sup>36</sup>

A CCO’s “counsel” at its best is influential. “Help” as a member of the management team is expected and positions the CCO to be influential. With a nod of respect to the iconic Think of IBM, we proffer a rubric for today’s communication leaders: *Think influence*.

Our bet is that if we, as chief communicators in the upper echelons of business have an aggressive mindset on the awareness, engagement and truth perceived by stakeholders, we will influence the success of the organization. And we might well persuade curious potential followers to come into our value proposition.

Let’s look deeper into the three strategic influence opportunities that we consider foolish to ignore or treat lightly if you, as CCO, are to lead in the organization’s success:

<sup>36</sup> Maril MacDonald, CEO of the consultancy Gagen MacDonald and past president of the Arthur W. Page Society, is nationally recognized for her leadership in the field of communications and strategy execution. Prior to founding the firm, she served on Navistar International Corporation’s executive management team and with CEO John Horne, directed a cultural turnaround that eventually led Navistar to the *Wall Street Journal*’s “Top 10 Performers” list and *Business Week*’s “Top 50 Companies.” Maril’s broad range of corporate experience — in operations, communications, government affairs and HR — has allowed her to claim “the white space between the silos” as her ultimate functional expertise. Today, her clients include some of the most celebrated brands in the world.

## CHAPTER 10

CULTURE: UNDERSTANDING THE CORPORATE  
COMMUNICATION CHALLENGE AND OPPORTUNITY

You influence management, up to and including the chief executive, to stay aware of the specific ways that stakeholder perceptions are shaped by upper-level decisions — by evaluating significant changes, announcements, decisions and *leading them* to consider strategies that optimize stakeholder support.

You influence the stakeholder value proposition — the *deal* between the company and each stakeholder class — by leading management to express it clearly, honestly and consistently, resulting in accurate and favorable perceptions that sustain the deal.

You influence the organization's internal culture, by leading the business leaders, HR and others to understand the value to them and the company of persistent, open, caring, responsible, respectful, mission-focused, fair-deal-focused communication with all employees all the time.

*Leadership* communication that beams toward influence is how communicators *lead*. MacDonald is right. We communicators are certainly not “controlling” a whole lot beyond source content. What we have, however, is an understanding of the complex dynamics of stakeholder perception, and an unusual opportunity to contribute to win-win outcomes at a high-value leadership level.

“Culture.” What is it? Tevye says it pretty well in “Fiddler on the Roof.” It’s what we do, it’s how we do it, it’s tradition!

“They always come to my house for Thanksgiving,” a mother in America might say. “It’s how we’ve always done it in our family.”

“Culture” is the name we give to a group’s behavior over time.

### Behavior is the defining element.

Nations have cultures, families have cultures, sports teams do, churches do, nations do, the internet has been facilitating online communities (are they cultures yet?), and, to get to our leadership communication point, companies have cultures.

It’s what people in a group do and don’t do, if they want to be accepted in the group. It’s what they (or others who’ve gone before them, or those who now lead them) strengthen or adjust, observe or reject — in effect, the ideas and things they have in common, they value, and they express through their behavior.

### Shared values create and sustain cultures.

For that reason alone, communication is important in the context of any culture. As communicating leaders in a

business setting, we want to understand how planned communication, strategic communication, communication in the hands and under the direction of professional corporate communicators impact and improve or, worst case, hamper or confuse the belief, execution and advocacy of shared values within the company.

### **Engagement is the key to influencing culture.**

Let's treat with two levels of engagement-influence factors: informal, in-culture interaction and strategic, leadership-level interaction.

First of all, group members — let's say a company's group of employees — have to engage with each other in order to keep their particular culture going. That engagement may be highly informal. It is not necessarily organized or strategic. It could mean conversation at the water cooler (are they still around anywhere?) It could well mean engagement of sorts through email or Facebook or interest communities formed and linked on the internet. (These, we need to say, can be the most egregiously manipulated cultures or sub-cultures, as outsiders — folks in other cultures trying to sell products and services by plugging into the values of your — that is to say, in this case, the employees' — interest-community-culture.)

The chief communication officer's opportunity — we count it as the third accountability, alongside strategic information flow and strategic stakeholder perception engagement — is engagement in (and through engagement, influence in) the company's culture.

This second level of engagement, operating — or not — alongside the informal and influential employee engagement, is the planned, coordinated, relevant, useful, strategic, tied-to-vision-and-mission engagement that is achieved through leadership communication.

Objective of CCO strategies and influence is to motivate employees (and, for that matter, other leaders and managers) to achieve high performance.

### **Influential engagement in culture requires an understanding of motivation.**

“The problem,” says an expert in cultural motivation, “is that most businesses haven't caught up to (the) new understanding of what motivates us. Too many organizations...still operate from assumptions about human potential and individual performance that are outdated, unexamined, and rooted more in folklore than in science.”

His name is Daniel H. Pink. He lectures to corporations and others on economic transformation and what it takes to succeed with “the new workplace.” Pink's book, *Drive: The Surprising Truth About What Motivates Us* (Riverhead Books, Penguin Books, New York, 2009), has been endorsed by major corporate people, including corporate communicators, as a way-shower.

Pink brings science and human behavior studies into play to show — if not to prove — that carrot-and-stick, reward-and-punish attempts to motivate desired organizational outcomes are not only outdated but can in fact be

counterproductive. His bottom-line is that, if we are communicators, we — as experts — need to understand that the secret to high performance is engaging the individual drive to achieve things that satisfy the individual’s needs and interests.

The three elements to motivating performance, as Pink lays it out, are *purpose*, *mastery* and *autonomy*. Before we dig into that, let’s create a little more basis for influential cultural engagement through leadership communication by understanding how corporate cultures have gotten to motivation in “the new workplace.”

### Corporate cultures have moved from “obey” to “self-govern”.

Visualize three workplaces, all making the same product. Let’s say there is heavy machinery involved or there’s a risk to life and limb to the workers as well as to others, as on an offshore drilling platform. The culture in the three workplaces is what we want to focus on:

**Workplace One.** Nobody questions the boss. You do what you are told or face the consequences. Somebody has required them to wear hard hats and blue shirts and pants. Safety is an order. They vaguely understand the order, but they don’t care. They do their job, wear the blue outfits, never take off their hard hats and hardly ever ask any questions. Worker behavior is a matter of blind obedience. That’s their culture.

**Workplace Two.** Rules are as clear as the workplace is clean and well-ordered. This is a rules-based culture. It works for management, top-down directives that sift down through the organization in predictable and controllable ways. Variables of individual behavior are minimized. Workers are rationally informed about what’s expected, and they get rewarded when they do it. Workers accept this. They’ve been informed, communication has reached them. Each individual wears the hard hat and the blue outfit because he or she knows it’s expected. Workers acquiesce. They conform to what seems to be rational authority. Nothing personal, it’s just how we do things.

**Workplace Three.** Conditions are clean, efficient, focused on output, but here there is a difference. Everybody here takes personal responsibility. Everybody has come to believe that safety is in everybody’s best interests. It is a shared value. Values speak to their higher self. Each worker feels satisfaction in doing his or her job, wearing the hard hat, proud to be in the clean blue outfits, and encouraging others — in the other’s best interest, safety and pride — to do likewise.

This look at workplace cultures was conceived and explained by a social-ethical author and counselor to companies, Dov Seidman, the founder and CEO of LRN.<sup>37</sup> In his book, *How: Why HOW We Do Anything Means Everything* (John Wiley & Sons, Hoboken, NJ, 2007)

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<sup>37</sup> Since 1994, LRN has help companies navigate complex legal and regulatory environments and foster ethical cultures. *Fortune* magazine called him “the hottest advisor on the corporate virtue circuit.”

Seidman lays out the three cultures this way:

**Workplace One:**<sup>38</sup> A culture of *blind obedience*, which we will shorthand to *OBEY*.

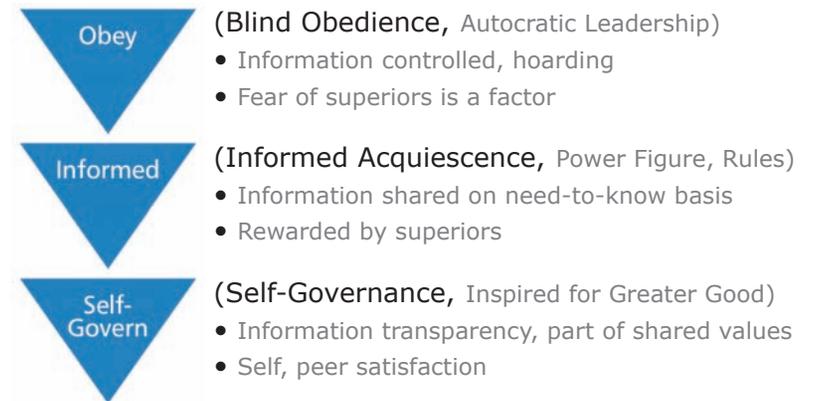
If this were a company, leadership communication would be in a sad state. Information flow would be managed to its detriment. Inside the culture, people in charge and people down the line would be stingy about information, hoarding what they know or think they know, dispensing when demanded or when it suited the individual's interest, not the organization's. Virtually everyone fears the "boss" above them, and "blindly obeys" orders. No company we know of (in fact, no organization, including military where command is part of the culture) is still totally stuck in this losing management mindset — and no corporate communicator, certainly not those we follow as leaders (such as those in the Arthur W. Page Society) think or lead in a "blindly obey" culture.

**Workplace Two:** Culture of *informed acquiescence*, or, for our convenience, *INFORMED*. Advancement here in leadership communication, en route to the current level (next in the Seidman hierarchy of corporate cultures). Seidman says in this "reasonable rules" culture, information flowed but in narrow channels, on a need-to-know basis. The culture was not weened yet from "carrots" (rewards)

<sup>38</sup> Seidman calls them "factories" and he actually described four cultures in four factories; however, the first — which he describes as a culture of "anarchy and lawlessness" — is so antithetical to anything you are likely to encounter in the US and other advanced industrial nations that it is hardly worth our study of modern leadership communication.

### Seidman: three types of corporate cultures

How they know, use information



Adapted from HOW, Dov Seidman, 2007

nor free of fear of "sticks" (punishment), so these were implicit in communication and the source of authority. Again, this is an outmoded or outmoding cultural distinction, useful best as an example of what to avoid or stamp out when it appears in today's leadership communication strategies.

**Workplace Three:** Culture of *values-based self-governance*. We will shorten this (without forgetting that values bind culture) to *SELF-GOVERN*. This is obviously (we hope by now!) the one we are most interested in. It conforms with what we've learned from Pink as the new engagement factor in modern corporate motivation. And it is the culture that this course advances, with the ample evidence of corporate character and culture revealed and proliferated through Arthur W. Page Society leadership.

## CHAPTER 11

### CCO'S CULTURE ENGAGEMENT STARTER KIT

Rosabeth Moss Kanter, in her influential book<sup>39</sup> examining the traits that drive vanguard (that means out front, clearly leading) companies, puts a lot of emphasis on making values and vision a daily part of the C-suite conversation.

Linkage of cultural values to leadership vision needs to be vocalized constantly at the top of the organization, Kanter holds, “until it is automatic to include mentions in every message” that flows to stakeholders.

How do you, if you have accountability for information flow and stakeholder perceptions, get started and raise the impact of values and culture engagement?

Borrowing from engagement theorists Kanter, Dov Seidman, Daniel Pink, from other counselors and — most importantly — drawing on direct experience as C-suite communication leaders, we've prepared this go-to-it values/culture *engagement* kit for new and rising CCO's.

**Gut check.** Start with what you know about the culture, what goes here, “how we do things”, what works, what doesn't...*tradition!* Use your conversation leadership skill to probe, gently, not challenging, views of C-suite peers. Affirm or adjust your gut view of what can be done.

**Describe reality.** What is the cultural condition? Based on informal review, place your company on the Seidman scale — informed acquiescence or self-governance (if it's “obedience,” why are you there?) What values/vision guides are in place that you can work with? If there is a vision/mission statement, evaluate its relevance. Are current contexts and tone right for what is? What can be shaped, what can be kept, how do we build on the base? If there is no employee-culture-relevant standard — no creed carved in stone or posted online — what can you infer from sources, preferably published? For example, in the most recent annual report to stakeholders, what was the outlook (vision/mission) in the chairman/CEO message?

**Shape authentic themes.** Huddle with your communication team. Address tough questions about engagement and the paths to autonomy and self-governance. Begin to shape themes that will authentically recognize purpose, vision and shared values in the company's stakeholder relationships (we call them *win-win* deals). Consider the theme of moving toward “greater good” outcomes. Draft plans to work these themes into the managed information flow, and to test them in the stakeholder ecosystem.

**Think networking.** Build some belief and advocacy within the leadership. As Kanter counseled corporate executives on *vanguard*-ism, be a *connector* who opens new possibilities by socializing, assisting and guiding values-based commitments among others who have goals to achieve. Think how stakeholder (starting with employee) engagement can join with and help leaders achieve various goals.

<sup>39</sup> *Supercorp: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good*; New York: Crown Publishing Group, 2009

**Adjust the big portal.** What's your best chance to amplify and to some extent control progressive engagement? This has to point to your company's website content. This is the always-open, 24/7, most frequently used check-in point for outsiders (and employees and their families and connections) to see what the company thinks is important. Make the website your big portal for engagement. Evaluate and tune the access, the content and the tone of this conversation center to convey, prove and advance authentic vision and shared values.

**Simplify, then over-simplify.** Communication is a battle for people's minds, Al Ries and his co-author Jack Trout said in their classic book on market positioning.<sup>40</sup> Frequent cultural value messages have to be sharpened to cut into minds already cluttered with ideas, bias and competing communication. Corporate communicators are operating in societies diagnosed by Ries and Trout as already infected with the *disease of over-communication*. They said the only antidote is *over-simplified messages*. Their counsel: "You have to jettison the ambiguities, simplify the message, and then simplify it some more."

**Tune in to WIIFM.** In all levels of engagement communication — incoming and outgoing, remember that everybody listens to their *What's In It For Me* station. From the top of the organization to its farthest reaches, from employees to investors, personal relevance is the key to believing, practicing and advocating values shared with

the company. This is why it's so important for company leaders to listen, to understand and to relate to the constant conversation that's going on in the stakeholder universe. And that's why you, as expert examiner of stakeholder perceptions, are in the best possible position to counsel executives and managers on authentic and effective engagement.

**Have a plan, work the plan.** It may be as open and intensive as the plan IBM Sam Palmisano put in place when he became CEO. He forced the curve of employee engagement toward agreement on and participation in the driving purpose of the company. Shared values and autonomy, which we know as the motivators for high performance, become the culture with that sort of aggressive, democratized approach. The plan need not be that grand. IBM communicators were fortunate to have a leader who saw the need for a cultural adjustment and was willing to throw open the engagement door. The key is to have a plan that is rational, real and achievable, even if it's just one small step at a time.

**Keep learning.** Besides learning what's needed and what you can do in communicating, keep up with the state of this growing art of culture leadership. People like Dov Seidman and Dan Pink are accessible online. Academic studies — like those at Georgetown University — are available, along with management guides and steady streams of books and articles. Google corporate culture and plug in to see what works for you in your organization.

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<sup>40</sup> *Positioning: The Battle for Your Mind*, by Al Ries and Jack Trout

**CHAPTER 12**  
**IS THE CCO THE CONSCIENTIOUS**  
**COMPLIANCE COUNSELOR?**

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Bottom line is that information management and stakeholder perception management — the first two accountabilities of the CCO — are in fact the company’s strongest potential influence on the company’s character and culture. The core competences of the CCO are the engagement force in the C-suite. The CCO is (to be somewhat glib, but to make a real point) also a “CEO” — that is to say, potentially the chief engagement officer.

How much accountability does the communicator in the C-suite have for influencing the company’s culture? It varies, company to company, of course, but it’s safe to observe that the opportunity is growing.

One analyst of corporate leadership, *London Evening Standard* columnist Anthony Hilton, suggested<sup>41</sup> that a competent company communication officer might be the right person to assume what’s now the company lawyers’ accountability for deciding how conscientiously the company regards laws and standards. His argument was that corporate attorneys too often take a legal compliance mentality that lets the company slip past the letter of the law, veering dangerously close to violating the spirit of the law. Lawyers aren’t built to be the “conscience” of the company, in other words, and Hilton advanced the case that CCOs, attuned to culture, values and stakeholder perceptions, need to take on the role of conscientious culture advocate and enabler.

Arthur W. Page Society (AWPS) leaders come close to this view. Its 2012 research and direction report, *Building Belief: A New Model for Activating Corporate Character and Authentic Advocacy*, argues that the CCO has a re-

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<sup>41</sup> Writing in *PRWeek* UK in 2012

## CHAPTER 13

### LISTENING: WHERE CORPORATE COMMUNICATION STARTS

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sponsibility to work across the enterprise to define and activate corporate character.

AWPS President Roger Bolton, himself a veteran in corporate culture and employee engagement in his C-suite job at Aetna, said, “From my perspective, everyone in senior management — or in the company at large, for that matter — has an obligation to build and protect brand and reputation by adhering to a strong set of values and an appropriate mission to create value for customers, employees, shareholders and society. And in the companies where I was privileged to serve, the general counsel and corporate attorneys played a highly constructive role in that regard.

The question of who should weigh in on the level of legal compliance is a case-by-case matter. There seems to be a decisive factor. Is the company content with a culture striving to simply comply with requirements, or is it trying to create, reassure and sustain stakeholders, including employees who see how close the company gets to legal limits?

Communication leaders like Bolton believe that CCOs are well situated and conditioned to weigh in on C-suite decisions that affect sustainable business cultures. “When this is done well,” he said in an online commentary, “companies are focused on doing the things that are consistent with their espoused character — in essence earning trust with everything they do every day. In this scenario, compliance remains important, but doing the right thing is never in doubt.”

“Growth starts here!” proclaimed General Electric CEO Jeffrey R. Immelt, in his annual letter to shareowners as the company emerged from the worst economy since the Great Depression.

It was 2010. Time to reset the vision, refocus the business model, and transform for competitive success. Ways that worked well in the past need to be reviewed and reworked. If hard times exposed weakness, it was time for leadership to discard and re-deal. Matching the urgency of the moment, Immelt adjusted GE’s leadership traits.

Defining the new growth path, he underscored the strategic art of listening.

While “*inclusiveness*” had long been one of GE’s highly regarded leadership attributes, often influencing other companies, Immelt now specifically cited “*listening*” as vital to leadership development and execution of corporate missions.<sup>42</sup>

“Leaders must be humble listeners,” he explained to shareowners (and of course to everyone in the company who reads and respects this yearly message from the boss).

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<sup>42</sup> GE was voted #1 in Developing Leaders in the 2010 Hay Group/Business-Week poll. Visit [www.haygroup.com/ww/press/details.aspx?id=24434](http://www.haygroup.com/ww/press/details.aspx?id=24434) to see how companies are rated. See [www.ge.com/ar2010/](http://www.ge.com/ar2010/) with CEO Immelt’s “Growth Starts Here” letter. It is worth reviewing as a leadership communication guide and annual report model.

“We will stay open to inputs from all sources. We are here to work on teams and serve our customers.”

To read Immelt’s annual report message as his followers might have read it, the chief was telling them: *Create stakeholders in our success by understanding what our stakeholders want and what we need to do to deliver. Let go of any ego notion that we know it all. Get out there and listen and learn.*<sup>43</sup>

### Business-side listening is a management mainstay.

GE’s repositioned principle — *business success begins when management humbly turns it ear to stakeholders* — is as true in this over-communicating era, as it was 50 or more years ago when the dean of management studies, Peter Drucker, boiled it down in his books on the manager’s job.<sup>44</sup>

Ask yourself three questions, Drucker told managers, *What do my customers need and expect? What will it take to assure that they get it? What’s my job today?*

Following Drucker’s admonishment, focused listening strategies took hold in corporate management. *“Listen, understand, deliver”* was for many years the slogan by which

Navistar, the truck, engine and school-bus manufacturer (successor to International Harvester) inspired employees and built stakeholder trust.

Tom Peters, a McKinsey consultant, advanced Drucker’s management guides in the 1980s. Interviewing business executives, he began asking, *What’s your listening strategy?*” With that question, delivered in his books, blogs and direct counsel with executives, Peters pushed that First Business Commandment — “listen to the customer” — into an element that business leaders (and, we would argue, communicators) commonly consider as an origin of the plan.<sup>45</sup>

Listening to customers and other sources of stakeholder influence is recognized as a strategy for optimum performance in every aspect of business. In his many articles and books, Harvard’s Michael E. Porter<sup>46</sup>, put “the bargaining power of its customers” into the five forces he identified as facing or being available to any company selling a product or service.<sup>47</sup> Porter’s emphasis is on competitive strategy. In Porter’s construct, it is impossible to

43 We can assume that “humble” is used by Immelt in the same sense that Jim Collins (author of *Good to Great* and *Built to Last*) used it in describing leaders that build companies that last. Such “Level 5” leaders, Collins said, combine humility with a fierce passion to achieve missions and sustain a vision of success.

44 [www.druckerinstitute.com/link/about-peter-drucker/](http://www.druckerinstitute.com/link/about-peter-drucker/) Drucker wrote dozens of books on management between 1939 and the early 2000s (he died in 2005). One of your authors (Harrison) favored Drucker’s 1973 classic, *Management: Tasks, Responsibilities, Practices* (New York: Harper & Row) to learn how to apply Drucker guidelines to business communication. Tom Peters (see next footnote) called Drucker “the dean of this country’s business and management philosophers.”

45 [www.tompeters.com/](http://www.tompeters.com/) *In Search of Excellence: Lessons from America’s Best-Run Companies* (1982) by Peters and Robert Waterman, McKinsey consultants, advocated management ideas gleaned from winning companies, including the value of aggressive learning from people served by the business,

46 [www.hbs.edu/faculty/Pages/profile.aspx?facId=6532](http://www.hbs.edu/faculty/Pages/profile.aspx?facId=6532) Porter’s book, *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press (1980) quickly became the bestselling business book up to that time.

47 The four additional forces identified by Porter in *Competitive Strategy* are the competitors the company currently faces, the threat of new competitors, the threat of substitutes for the company’s products or services, and the bargaining power of its suppliers.

consider any strategic move toward competitive victory that does not involve the power of stakeholder advocacy stimulated through communication input, feedback — in short, strategic listening. Consider the following outcomes:

- Listening to the competition discloses ways to defend against or defeat their competitive moves.
- Listening sparks marketing, sales and customer relations.
- Financial considerations and decisions requires constant input from markets, government tendencies or actions, financial institutions and many other influence sources. Physical, actual listening to investors — with the sometimes dramatic quarterly conversation with analysts — keeps C-suite leaders informed...and on their toes.
- Listening informs and inspires design and technology; in the process, it can transform visions not only for the GEs and other major, long-term hitters. It can be the spark for start-ups.

A modern entrepreneur who listened and got a winning idea was Tony Hsieh. After listening to friends say that they wouldn't buy a pair of shoes without trying them on first. Hsieh decided to try something like marketing jiu-jitsu. If you understand what customers don't think they can get, he reasoned, why not find a way to *give them the desired unexpected*. He identified shoe supply sources and spread his concept online: *Order the shoes you want to*

*see, examine them, try them on and, if you don't want them, send them back and I'll pay the postage both ways*. Hsieh's listening, understanding and delivery strategy led to handsomely profitable business.<sup>48</sup>

### The chief communicator's core competencies start with listening.

While “listen to the customer” and get “public permission to operate” remain the bedrock business public-relations principles that Arthur W. Page advised in his speeches from the earliest years of the professional function in the 1930s and '40s, the expert communicator in the swirling technology and change impacting today's C-suite, has to be a listening virtuoso.

Mastery of listening has become a core corporate communication competence. It is vital in raising the CCO's odds for high performance in three essential accountabilities: stakeholder perception management, culture influence and information flow.

**Perception:** Listening strategies designed and executed under direction of the expert communicator bring timely, accurate and actionable gauges of stakeholder perceptions to the C-suite table.

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<sup>48</sup> For a useful context of Hsieh's success in achieving market trustworthiness, read Chapter 3 of Guy Kawasaki's *Enchantment (e.g., customer experience as unexpected pleasure): The Art of Changing Hearts, Minds, and Actions*. Portfolio/Penguin, New York, 2011. Postscript: After a few years of rocketing success, Hsieh sold Zappos to Amazon for \$1.2 billion and continued to lead the company.

**Corporate culture:** Through feedback and other listening means, CCOs enable management's ability to detect contexts, tones and reasons for cultural acceptance of leadership, and to overcome resistance to mission change.

**Information flow:** Since leadership communication is essentially a strategic conversation, CCO listening is definitive in the two-way flow of information that adds inestimable value to management's efforts to create and sustain stakeholder engagement.

### Listening strategies can perceive seeds of risk, even crises.

Norman R. Augustine, a former CEO of Lockheed Martin who later chaired the American Red Cross, once said about crisis management: "The bottom line of my experience with crises can be summarized in just seven words: Tell the truth and tell it fast."<sup>49</sup>

That remains valid counsel for CCOs and others in corporate leadership who are in the throes of a crisis.

However, as Georgetown University graduate students are demonstrating, a cybersphere-conscious, crisis-avoidance update might more usefully advise: *Find ways to systematically listen to the truth as it is perceived by stakeholders and deal with it fast and continually.*

Increasingly, corporate boards are establishing Risk Management Committees to elevate the risk issues identified within companies that may require early mitigation attention and resolution. The role of CCOs in this process is likely to increase in the future, since other corporate officers do not have the same broad line-of-sight and depth of stakeholder perceptions.

Georgetown students in crisis communication courses (led by the adjunct-faculty authors of this text) have studied how company crisis risks can be mitigated through listening strategies.

In pre-crisis intelligence research projects, students have set up online listening stations and monitored social and traditional media over three, 30-day periods, to detect any trend line of symptoms of possible/probable crisis outcome if the trend line continued.

What has been learned in the Georgetown exercise? Through online listening stations, corporate communicators can collect and examine warning signs on levels of risk and indications that a crisis may occur in the chosen company.

Monitoring and analyses can yield information/data from the specific fields of stakeholder interest; this can be compared with internally-generated risk knowledge and relative risk rankings (which may not customarily be updated frequently).

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<sup>49</sup> Augustine, Norman R. (2000), *Harvard Business Review on Crisis Management*, Harvard Business School Publishing, Boston, p. 31

**CHAPTER 14**  
**LISTENING: CRITICAL FACTOR IN**  
**CCO-CEO CONNECTION**

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This added input can, in addition to guiding corporate relations and communication decisions, enable company leadership to consider actions that adjust risk-laden contributors, avoid extremes of undesirable probable outcomes, and avert or mitigate the arrival of crisis disruption.

**Listening is inherent throughout our  
seven-point VICTORY compass.**

The goal, imagined as the ultimate point on our compass, is to listen and to hear a “Yes” from the stakeholders.

We draw on attributes recognized<sup>50</sup> as influential in creating believers, followers, advocates — stakeholders who can achieve and support company missions. Each trait is an opportunity for trust-building and collaboration at some level in the stakeholder ecosystem.

The organization’s chief communication officer understands that listening is the ongoing, timely, direct and powerful connector to stakeholders. It is also, as we will examine in the next chapter, an essential factor in the condition of listening up — to top management.

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<sup>50</sup> Recognized by corporate leaders (e.g., Immelt, GE; George, Medtronic; Palmisano, IBM; *et al*) as well as leadership teachers and researchers (e.g., Collins, *Good to Great*; Kanter, *Supercorp*; Peters, *In Search of Excellence*; *et al*. See course reading list.)

A “partnership for high performance”. That’s the central message of *Authentic Leadership*, the influential book by Bill George, who took Medtronic to a strong leadership culture, and went on to teach leadership at Harvard.<sup>51</sup>

Leadership and followership get to “yes” through organized, collaborative and strategic *listenership*. No corporate individual is more responsible for this to work than the chief communication officer. The CCO at the top of the organization is positioned to be the “connector”, as Rosabeth Moss Kanter describes the effective C-suite player.<sup>52</sup> This means listening out, in and up.

The CCO has accountability for *listening out*; she’s plugging into the universe of stakeholders expressing themselves.

She also has to *listen in* — to keep up with what others in management are saying, need or want to say (or *should consistently convey* to sustain mission support, stakeholder engagement and culture commitment).

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<sup>51</sup> In addition to *Authentic Leadership*, Bill George, former Medtronic CEO, is the author of *True North: Discover Your Authentic Leadership* (with Peter Sims). Learn more at [www.truenorthleaders.com](http://www.truenorthleaders.com)

<sup>52</sup> “Connectors are those people who serve as bridges...assembling resources and mobilizing action,” Kanter says in *Supercorp*. Kanter expresses the reality that personal contact and relationships are often as important as technical talent, adding “she who has the best network wins.” Your authors and other CCOs can attest that this is as true in the C-suite as in any slice of collaborative life.

And then there is the rare, job-critical opportunity to *listen up*.

The CCO has to be all ears in her relationship with the CEO. She needs to know constantly what, when, where and how the chief executive — the ultimate voice of the company — needs, wants and is able to communicate.

How does the chief communicator become the listening virtuoso at this level?

### CCO-CEO relationship research points to productive listening.

Fortunately for the context of this textbook, the mystery of productive listening has been examined, *specifically related to corporate leadership communication*.

Two communication researchers<sup>53</sup> at an Arthur W. Page Society conference presented their findings on a survey, probing the theory that public relations success requires *mastery of listening*.

Listening occupies more time than any other communication activity in all of business. That was readily accepted. After all, in everybody's life, we listen as individuals more than we talk or make hand gestures or

otherwise communicate. Professors Donald Wright and Donald Stacks dug into the theoretical background of business communication to examine the process of *corporate listening at the top of the enterprise*.

### CCOs spend at least half their time listening.

With access to CCO opinion of success in the C-suite, the researchers in 2000 confirmed that public relations people fit the common frame of *listening* as the dominant communication activity of CCOs. They found that, on average, CCOs were spending about 50 percent of their time listening, about 15 percent of their time writing, and the remaining 45 percent doing all the other things, including talking.

This is no surprise to communicators in the upper echelons of corporate management today. If you are a CCO in a modern corporation, whether you are by nature voluble or tend to taciturn, talking is a lesser part of your communication. It may seem that you spend most of your time listening, in meetings, in your office, on the phone, but we suspect that the actual listening time — and here we are not talking about actual face-to-face listening — is far less than the other “receivables” such as reading incoming email, documents (memos, proposals, in-house drafts, on and on), and the time you spend on writing about this or that.<sup>54</sup>

<sup>53</sup> Both professors in communication and public relations studies: Donald K. Wright, then at the University of South Alabama, and Don W. Stacks, University of Miami. Their paper on CEO-CCI listening was presented at the 2000 Arthur W. Page Society Annual Conference, and each of them has continued to research, report and help students as well as communication professionals understand and improve in critical skill areas such as listening.

But the mystery that hadn't then been explored, and in fact still hangs in the air, is what the professional communicators at that Page conference bore down on is the connecting rod between top authority and top communicator.

Here's the destination. We now know, both because of this research and through hundreds of practical examples the following:

**What or to whom the CEO is listening and whether the CCO listens effectively are two different matters.**

Dick Martin, drawing on his experience as CCO at AT&T, got the context right in *Otherwise*. “Become wise” — Martin counsels — about the “other” group or the “other” person if you want to achieve a sustainable relationship, where there is shared trust. You might say, turn “they” into “we” and get to a mutual “yes.”<sup>55</sup>

To be successful communicators, or to engage with stakeholders, including bosses, on any matter of importance to achieving company missions, you need to think as he or she — the stakeholder, the boss — thinks. How do CEO's and other peers (or to use an outmoded term which apparently still had some resonance during the research in 2000, to “superiors”) listen in the C-suite?

The researchers posed five statements on how the CEO or others in the C-suite listen when the CCO (or, an outside counselor, say from a public relations consultancy) attempts to talk to them. The research team asked more

than 100 corporate communication pros to express agreement or disagreement with these five statements.

Here are the insightful results of this line of questioning, statements and CCO levels of agreement:

- Statement one: “This person [which means CEO or any other “superior”] is more concerned with what I say than with how I say it.” *51% of interviewed CCOs agreed.*
- Statement two: “When this person is listening to me, he/she often responds before I finish my thought.” *CCOs: 50% agreed.*
- Statement three: “This person listens for facts, not for central themes or ideas.” *CCOs: 40% agreed.*
- Statement four: “This person often indicates he/she's listening, but I find myself having to repeat myself.” *CCOs: 23% agreed.*

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<sup>54</sup> Listening here is entirely focused on two-way, person-to-person, vocalized communication. Online communication, though absolutely essential in corporate communication (and may in fact be dominating all communication, both transactional and transformational) does not endow a full, precise listening analysis. We may have “listening stations” and we may usefully eavesdrop or participate in online “conversation”—especially to perceive at least online perceptions of stakeholders—but we lack the vital ingredients in listening: tone, signals, facial expressions, common time and place, and so on. (More on this later in the book, and see [leaderscommunicate2012.posterous.com](http://leaderscommunicate2012.posterous.com) for the authors' and Georgetown students' blog on communication.)

<sup>55</sup> *Getting to Yes*, the book by Fisher and Ury (and now, Patton), a product of the Harvard negotiation program, still popular after all these years, is a mainstay of this book's authors, one of whom (Harrison) took the Harvard course in its early days. As shown in this book's early chapter, the ultimate destination of our VICTORY wheel of leadership traits is a direct lesson from the Harvard instructors, updated somewhat by our experiences, so the “Y” in our success wheel is “Yes”, a mutual, shared-value, win-win agreement.

- And the final statement, proposed by the researchers: “This person takes lots of notes when I’m speaking.”  
*CCOs: only 9% agreed with this.*

The research team refined this line of questioning. They asked the CCOs in the Page Society, to focus *only* on the chief executive officer, *not* on other corporate executives with whom the CCO has dealings in the C-suite.

Now we get to our question, what have we learned? Can we see some clues as to how to communicate with CEOs, how to make this C-suite partnership for performance — and of most importance, your side of the deal, stronger? You be the judge:

**Researchers show eye contact, not note-taking, as critical factor.**

CEOs differ from other executives, this special research shows, in that *they — CEOs — take fewer notes when you’re talking*. We will come back to the take-aways on this and the rest of the findings, but let’s say here that this is a good thing. If the boss is not writing it down, it’s not a sign she’s not getting it, not listening to you.

In fact, to go from mouth-and-ear matters to a third and absolutely essential matter of one-to-one communication, not writing means *more eye contact*. *It’s your best weapon of worthwhile engagement*.

That’s impression one, the CEO takes fewer notes.

**Communicators must be prepared to ‘say that again’.**

The second research finding is that CEOs are more likely to need things repeated. The CCOs said that this was true, even though the chief seems to indicate — eye contact, nods of receipt, or some other signs of openness — that seem to you to indicate that they are listening. Expect them to ask questions, but if none comes,

A third reaction from surveyed CCOs — *it’s easy for the CCO to know when the boss has stopped listening*. Now this may seem obvious. You know when anybody has stopped listening — whether it’s a friend, a family member, someone in whatever circle or community you are in (except of course in an online community, but that’s an entire other subject for another chapter in this book of learning). If you’re a speaker at a rostrum or at a conference table, you have a lot of signs, short of getting up and leaving, to tell you that you have lost useful contact. But the point of this survey question, conducted among communication professionals in the business community, is that in the entire survey, this probe revealed the highest ranking in terms of CCO ability to gauge leadership communication impact.

CCOs also agreed that CEOs are more likely to listen for facts, and not for big themes or general ideas; and, CCOs said, all in all, the people at the very top of the organizations, if you can get time with them, are uniformly better listeners than “other corporate executives.”

### Take-aways: Connect. Deal in facts. Resist ‘WIIFM?’

As we listen to what CCOs tell about their experience, we learn:

*One*, if you are the expert communicator in the C-suite, you know you can expect the chief executive most likely, among all the chiefs in the C-suite, to pay attention, at least for a minute or two, to what you have to say. And you will know, also most quickly among players at the top level, the point at which you’ve lost that attention.

*Two*, you know that the CEO is most ready to hear facts, not rumors, not big themes or ideas, but factual information that’s relevant, and may present some opportunity to, him or her, as leader of the enterprise.

*Three*, when you want the CEO to listen, your attitude, your eye contact matter. You have come into the meeting with top management to bring up a point, to put forward an idea, to be of service to the purpose of the organization and its leadership.

This requires turning down your own fear and dialing back on personal, self-centered focus. It means resisting as much as possible that constant, often useful interior voice that asks, *what’s in it for me?*

Before any structured engagement with the CEO, there is an important “otherwise” oriented question that has the power to increase your potential to spur the leadership communication partnership. That question is: *What’s in it for the boss to listen to what I have to say?*

Three pre-conversation questions can help you prepare for any meeting or engagement. These vital, focusing questions are: *Why am I here? What do I need to learn? How do I add value to this engagement?*

Think through those questions, with the CEO’s interests and the company’s mission in mind. Research and your faculty’s professional experience tell us that the CCO’s influence in shared-value, autonomy-enhancing, information-sharing culture begins with these kinds of listening and learning strategies at the top of the organization.

## CHAPTER 15

### COMMUNICATING WITH THE BOSS: A 'NO-SPIN ZONE'

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Successful professionals in the public relations business generally abhor “spin” as a description of preferred communication strategy. We shudder when a boss or colleague or client, challenged by a condition that requires response, turns to us and asks, “Okay, how do we spin this?”

Despite some defense of the word as a common method of impacting opinion, “spin” to most communication professionals smacks of manipulation, hype and other eroders of trust.<sup>56</sup>

It was refreshing therefore when a boss was quoted, in a 2012 *New York Times* interview, as declaring his office as the place where spin stops.<sup>57</sup>

“I always tell my staff,” said Shawn H. Wilson, president of Usher’s New Look Foundation,<sup>58</sup> “when you

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<sup>56</sup> For two perspectives on “spin” that do not entirely agree with ours, see PR! A Social History of Spin by Stuart Ewen, chair, department of communications, Hunter College (1996); and *Spin Cycle: Inside the Clinton Propaganda Machine* by Howard Kurtz, media reporter, Washington Post (1998).

<sup>57</sup> See the interview at <http://www.nytimes.com/2012/06/17/business/shawn-wilson-of-ushers-new-look-foundation-on-leadership.html>

<sup>58</sup> Usher’s New Look Foundation is a 501(c)3 group established in 1999 to certify young people in four leadership pillars: talent, education, career and service. More at [www.ushersnewlook.org/](http://www.ushersnewlook.org/)

come in my office, you’re in a no-spin zone. Just be respectful.”

In his conversation with Adam Bryant (whose interviews with bosses have frequently exposed the good and the bad of leadership communication), Wilson came down hard on the danger of manipulating a message to achieve momentary advantage.

“I’ve seen the habit in other organizations,” the CEO said, “and I saw it creeping into our organization, where people tend to make excuses or spin the truth: ‘Well, this did happen, but it’s because of this...’

“I felt it was important as a leader to say: ‘Listen, I don’t know why this happened, but we need to get to the core root of why it happened, and it has to be factual. It can’t be all these other things’.”

*Be respectful; be honest.* That mantra means the most when it comes from the boss, because — if the chief communicator and her team take it and apply it — it takes root in the rest of the organization, helping to fulfill a CCO accountability: influence the ongoing transformation of the culture toward shared values and mission achievement.

As this chief executive told the *New York Times* reporter, “When we started that, I definitely saw a difference in the culture.”

## CHAPTER 16

### INFLUENCE: A SHARED LEADERSHIP EXPERIENCE

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What one word would you like people to use when they describe you?

When a Washington news reporter asked this question to a department chief in the administration of President Obama, she immediately replied: “influential.”

She said that her job every day as a leader was to influence others in the agency, as well as external stakeholders, to perform to the maximum of their ability toward achieving organizational goals.<sup>59</sup>

Globalization and technology have escalated change in all organizations, none more dramatically than what has happened in business organizations. Among the major trends in leading, or vanguard, companies is the need and desire for *circles of influence* to replace chains of commands, as Rosabeth Moss Kanter observes in *Supercorp*.<sup>60</sup>

“To focus people on serving customers and society, horizontal relationships across the organization are the center of action that shapes daily tasks,” says Kanter, “rather than vertical reporting up a chain of command.”

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<sup>59</sup> In a *Washington Post* interview (July 17, 2012), Lisa Jackson, Administrator, Environmental Protection Agency, was asked, “What’s one word you wish people would use to describe you?” She answered: “Influential.” The Federal Page, A13, *Washington Post*, July 17, 2012.

<sup>60</sup> *Supercorp: How Vanguard Companies Create Innovation, Profits, Growth and Social Good*, published 2009, Crown Publishing, a division of Random House, NY

Kanter underscores the differentiation of control and influence, driving toward cooperative motivation. Leaders in vanguard companies, she counsels, want people at *all levels* to feel motivated, not controlled.

In his book *Principle-Centered Leadership*<sup>61</sup>, Stephen R. Covey acknowledges that most of us, and certainly organization leaders, want to have influence — positive influence — with people in our personal and professional lives.

Our motives for effort, belief and achievement are clear to us. If we’re a leader of a company, these motives are what drive us; we want to win new business, keep customers, maintain stakeholders, change behaviors. But the question that Covey raises is about ways to make *our* motives *their motives*, and thereby their mission; *it’s about the process of influence*.

### “How do we powerfully and ethically influence the lives of other people?”

Covey asks that question and explores *three routes to influence*: to model by example (followers see what is effective and encouraged), to build relationships that are caring (the leader cares about the follower at an appropriate personal and professional level), and to mentor through in-

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<sup>61</sup> *Principle-Centered Leadership*, Stephen R. Covey, 1990, Simon and Shuster, NY.

struction (guide followers in ways to use their capabilities to achieve best outcomes).

Positive *influence* and another “I” — *integrity* — are bound together.

The influential leader consistently follows a code of fair and ethical decisions. She adheres to principles that are clear, sound and respectful. Through her example, kept promises, and integrity, she wins influence with others.

**It’s not a case of “the buck stops here”;  
influence is collaboration.**

Most companies now make major decisions collaboratively, as leadership analyst Perry Buffett<sup>62</sup> confirms in his studies of organizational change. Executives work in collegial groups — boards, councils, committee — and often arrive at decisions informally. All the participants know and respect the titles of their fellow collaborators, but that tends not to be a major factor in the influence-sharing process.

The CEO — the leader — may make the final decision, but he almost always relies on the followers, transformed into his colleagues in framing and formulating it.

Covey advocates the mindset seek first to understand, then to be understood.

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62 Perry Buffett, senior associate with Booz & Company, Chicago, specializes in leadership alignment and organizational change.

Buffett states: “An executive’s ability to influence peers and superiors as they undertake a broad range of crucial decisions involving such issues as strategy, budgets, brand positioning and pricing, and capital investments is a valuable skill — a skill that could be called influential competence.”<sup>63</sup>

Executives who have developed influential competence seek to understand the mind-set of all members of the group. There is more than one reason for doing this. When it comes to fitting leadership motives to those of followers, there is this heads-up:

“You...have to recognize that not everyone has pure motives,” said Suzanne Sinclair, director of leadership talent acquisition at Allstate Insurance. “You have to understand your colleagues’ agendas and how their agendas fit into the issue you are raising.”<sup>64</sup>

Communication — two-way, consistent, open and understandable — is essential in influential competence.

The role of the chief communication officer in internal positive influence is to enable the chief executive in her role in activating two vital aspects of motivation and performance: a reliable, readily accessible exchange of information and a culture that is as autonomous and self-governing as can be achieved.

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63 Buffett, *Using Influence to Get Things Done*, Strategy + Business, Booz & Co., February 22, 2011

<http://www.strategy-business.com/article/11104?pg=2#authors>

64 *ibid.*

At IBM, the leadership works to achieve technological competence so as many individual employees as practicable can influence the company's success as a consultant and partner in the expanding world of big data and advanced technology.

Companies in every business category are opening up to — or being opened by — access to information that in previous generations were considered privileged, kept close to the chests of top executives, whether through fear of competitive prying or through lack of trust within their own organizations. Circles of privacy and protection had not evolved to circles of inclusion and influence.

New-reality writers — Dov Seidman, Daniel Pink, Guy Kawasaki, Tony Hsieh and others — were among the first to analyze and describe the rising current of business understanding about what motivates workers and creates cultures toward sustainable success. Motivation means individual satisfaction. Employees and rising leaders find joy in their own achievement, and sharing the thrill of achievement with others of like mind. Blind-obedience cultures are gone forever. Informed cultures are growing, and overtaken by cultures that are essentially self-governing, rewarding, not controlling, those who further the mission of the enterprise. Customers, not manufacturers or sellers, now have the influence, the dominating control over how they will choose to interact with the company.<sup>65</sup>

What is the good news for companies? They can and will adapt to, and take competitive advantage of the new

conditions through strategic influence, starting with open communication inside the organization.

Communication must be aggressive and effective in achieving this level of new influence.

A barrier to leadership influence may be the inability of a potential follower to comprehend. Language, education and other variables need to be dealt with by the leader and, when it is valuable, with help from his communication expert.

At the personal, internal-company level, Covey has suggested four ways to communicate influentially when there is not a common level of understanding:

Give more time to the process, be patient, and express non-verbal communication — how one looks at the other person — in a way that is congruent with what you are saying. Seek harder to understand, show you care.

### Turn the “I” of influence into an empowered “W”

Bill George, a former CEO, has made a specialty of interviewing and writing about leadership in best-selling books including *Authentic Leadership* and *True North*.<sup>66</sup>

65 The books — Seidman's *How: Why HOW We Do Anything Means Everything* (2007), Pink's *Drive: The Surprising Truth About What Motivates Us* (2009) and Kawasaki's *Enchantment: The Art of Changing Hearts, Minds, and Actions* (2011) — typified a vast outflow of commentary in print and online attesting to the change of influence and the challenge of communication.

66 [http://usatoday30.usatoday.com/money/books/2007-04-22-true-north-usat\\_N.htm](http://usatoday30.usatoday.com/money/books/2007-04-22-true-north-usat_N.htm)

Authentic leaders, he has said, discard the notion that leadership means having “legions of supporters following our direction as we ascend to the pinnacles of power” and realize that it’s all about empowering others.

Jaime Irick, a West Point graduate and executive at General Electric,<sup>67</sup> told George his story:

“We spend our early years trying to be the best. To get into West Point or GE, you have to be the best. That is defined by what you can do on your own — your ability to be a phenomenal analyst or consultant or do well on a standardized test.

“When you become a leader,” Irick said, “your challenge is to inspire others, develop them, and create change through them.”

Rising as a leader in an aggressive company, he realized an important fact.

“If you want to be a leader, you’ve got to flip that switch and understand that it’s about serving the folks on your team. The sooner people realize this,” Irick told Bill George, “the faster they will become a leader.”

George puts influence into that context: Leaders set aside personal ego needs and recognize the unlimited potential of empowering others.

The bottom line on influence within modern, successful companies can be described most simply as teamwork.

CEOs in our experience are now more frequently engaged, team leaders than they are isolated bosses. They encourage and conduct frequent team meetings. They of course brief their teams of leaders on what they are thinking, what they are committed to achieving, what they fear or question that could jeopardize their best achievable outcomes. They listen to team players, they participate in and they support the circles of influence.

### **Teamwork works; it grows shared values and it builds motivation**

In their classic book on teamwork,<sup>68</sup> Jon Katzenbach and Douglas Smith, conclude one of their chapters with an oriental message that sheds light on team leadership and shared influence.

It’s from the Chinese philosopher, Lao-Tzu:

*“As for the best leaders, the people do not notice their existence. The next best, the people honor and praise. The next, the people fear; and the next, the people hate. When the best leader’s work is done, the people say ‘We did it ourselves.’”*<sup>69</sup>

68 *The Wisdom of Teams*, by Jon R. Katzenbach and Douglas K. Smith, was first published by Harvard Business School Press in 1993, and a copy was given that year to one of your authors (Harrison) by a leader in AT&T and in American public relations, Marilyn Laurie.

69 For other Lao-Tzu quotes, go to: [http://www.goodreads.com/author/quotes/2622245.Lao\\_Tzu?auto\\_login\\_attempted=true](http://www.goodreads.com/author/quotes/2622245.Lao_Tzu?auto_login_attempted=true)

67 In 2012, Irick was President & CEO of GE Lighting Solutions

## CHAPTER 17

## COMPETENCE: THE CORE OF CORPORATE LEADERSHIP

Bill George and his associates interviewed dozens of leaders in preparation for his books on leadership and his teaching at Harvard.

Nearly all of these leaders had one thing in common, George reported in the Hesselbein Institute's *Knowledge Center Journal*. Each had gone through a transformative passage that made them recognize that leadership was not about their success at all. They realized that leadership is not about getting others to follow them. They came to believe that the essence of their leadership is aligning their teammates around a shared vision and values and empowering them to step up and lead.

Leaders create leaders.

Influence becomes inclusion.

Former CEO George calls it the transformation from “I” to “We.”

Leadership competence separates winners and losers. Whether it's in sports or in business, poor performance or failure to execute a winnable strategy can result in the leader's downfall. Quarterbacks get traded. Chief executives get fired or move on.

Winning, successfully competitive corporate leadership means execution of core competences at two performance levels — *economic and emotional* — enabled at both levels by *communication* competence.

### Economic competence to achieve competitive advantage

In their thought-leading 1990 paper, *The Core Competence of the Corporation*,<sup>70</sup> C. K. Prahalad and Gary Hamel advanced the idea that a company's competitiveness is directly related to its core competencies.

An economic competence is “core” or essential to winning corporate performance if it opens access to a wider variety of markets, if it is *unique* or difficult for competitors to imitate, and if it is *renewed and sustained*, said Prahalad and Hamel, enabling the company to transform for success over a long term.

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<sup>70</sup> Published in *Harvard Business Review* on March 1, 1990. See: <http://hbr.org/product/core-competence-of-the-corporation/an/90311-PDF-ENG>

Jim Collins, in his book, *Good to Great*,<sup>71</sup> uses an ancient Greek parable to illustrate uniqueness as a particularly valid marker for corporate economic performance.

Here is the story:

Every morning, the fleet, sleek, crafty fox waits to attack the dowdy, waddling hedgehog. The hedgehog — kind of a cross between an armadillo and a porcupine — comes into attack range.

“Aha, I’ve got you now!” says the fox, preparing to leap on its prey.

The hedgehog is unfazed. He looks at the fox, he thinks, “Will the fox never learn?” — and he transforms himself into a ball arrayed with sharp spikes that no foe would dare engage. The fox stops, admits to being outfoxed, and retreats to try to come up with a new attack strategy.

Collins likened the hedgehog strategy to corporate economic competence, the strategy of *doing one unique thing exceptionally well*, and keeping at it, extending it sustainably. Companies with a consistent, clarifying advantage tend to outlast and outperform companies that are scattered, diffused and inconsistent, according to Collins’ study of leadership success.

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<sup>71</sup> *Good to Great*, by James Charles Collins (HarperCollins, 2001) and his team studied 28 companies looking for reasons “why some companies make the leap and some don’t”. The hedgehog concept is one of several they found in winning companies. His first book, also highly relevant to leadership and leadership communication, was *Built to Last*, with Jerry I. Porras. Collins has kept a useful website available to students, journalists and business at <http://www.jimcollins.com/>

In the period between 1975 and 2000, Walgreens’ record of generated cumulative stock returns beat such great companies as GE, Merck, Coca Cola and Intel. Collins said a hedgehog concept — Walgreens’ focus on a simplified, repeatable strategy between 1975 and 2000 — such as, a distinct formula for store location and one for profit-per-customer beat competitors, including a large drugstore chain forced to sell out.

The hedgehog analogy suggests focus. The ideal, winning economic/financial competency will use concepts with which the company can be a world beater. It will exercise one thing, done well, repeatedly.

### **Competence must be supported, renewed and sustained.**

Prahalad and Hamel studied star performers of the 1980s — such as NEC, Canon and Honda — companies that focused on cores of strength, enabling dominance in key product markets, and high-rate profitable growth.

NEC won when competing with GTE, the analysts found, by zeroing in on a strategy to exploit the convergence of computing and communications. A “C&C Committee” of top managers was put together. Management adopted a strategic architecture effort to acquire competencies in semiconductors. The focused approach was communicated to the entire organization and to news media, financial markets and all external stakeholders.

Enormous resources were shifted from areas where NEC was in a group of competitors to strengthen its position in components and central processors. Through obtained, developed and applied core competence, NEC in a single decade overtook its far larger competitor, GTE, and became a best-in-the-world leader in its clearly targeted categories.

“By using collaborative arrangements to multiply internal resources,” Prahalad and Hamel observed, “NEC was able to accumulate [and engage] a broad array of core competences.”

They urged management to engage in “collective learning” on competence, with emphasis on the company’s capacity and skill to coordinate diverse production strategies and to take full advantage of growing technology.

Bottom line is that the proven route to competitive victory is for leadership to focus on unique core competencies, competency-based strategies and collaborative, collective learning to sustain success and result in winning, vanguard companies.

### **Emotional competence: heart and soul of leadership success<sup>72</sup>**

In the fall of 2008, some of the people who run Starbucks were urging CEO Howard Shultz to cancel the company’s biennial leadership conference. The event in-

volving some 10,000 Starbucks managers would occur at an awkward time, one month after Wall Street’s big meltdown, a few weeks before Starbucks would announce shockingly reduced fourth quarter profits. Shouldn’t we cancel the meeting? Or maybe do it online?

The boss said no. The conference was held, in New Orleans, a city recovering from the ravages of Hurricane Katrina. It was a great success. It raised emotional commitment to and collaboration to regain and sustain Starbucks’ business success.

“Reigniting people’s hearts and minds, had to be done in person,” Shultz says in his book, *Onward: How Starbucks Fought for Its Life Without Losing Its Soul* (2011). “I believe that the most sincere, lasting powers of human connection come from looking directly into someone else’s eyes, with no screen in between...”

“(B)ecause of everything we experienced in New Orleans, it was apparent to all of us what it meant to love something, and the responsibility that goes with it.”

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<sup>72</sup> Daniel Goleman first brought the term “emotional intelligence” to a wide audience with his 1995 book of that name, applying the concept to business with his 1998 HBR article What Makes a Leader? — *Harvard Business Review*. In his research at nearly 200 large, global companies, Goleman found that while the qualities traditionally associated with leadership—such as intelligence, toughness, determination, and vision—are required for success, they are insufficient. Truly effective leaders are also distinguished by a high degree of emotional intelligence, which includes self-awareness, self-regulation, motivation, empathy, and social skills.

Love? Emotional commitment? Is this simply softer-side, new age communication? Did Lee Iacocca at Chrysler communicate this way? Did Jack Welch at General Electric think this way?<sup>73</sup>

Let's hear from a hard-nose manufacturing company leader.

Larry Bossidy, early in his corporate career, was Jack Welch's right-hand man at GE, a Six Sigma advocate. He went on to serve as CEO at both Honeywell and at AlliedSignal. Listen to Bossidy in his best selling business book, *Execution: The Discipline of Getting Things Done*, published in 2002:

*“An organization can execute only if the leader's heart and soul are immersed in the company. The leader has to be engaged personally and deeply in the business.”*

Love. Heart. Soul. We are into the realm of emotional intelligence, a term that has moved from organizational psychology to application in business leadership and communication competence.

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<sup>73</sup> Both Iacocca and Welch exemplified “commanding” styles — closed and distancing rather than open and inclusive — in their leadership time-frames, both facing intense transforming situations and each moved toward more “visionary” and democratic leadership styles following turnaround executions. Welch's post-GE presentations and writing (with his wife) have advanced thinking on personal, interactive (emotional) competence as enabling economic competence.

## How emotional intelligence can impact economic performance

At Johnson & Johnson, a study entitled *Emotional Competence and Leadership Excellence*, connected higher leadership performance with higher levels of individual self-awareness and communication skills such as effective listening, talking and presenting ideas or directions.

At American Express, managers who completed an emotional competence training program grew their business operations larger and faster than those who didn't get the training.

In a manufacturing company (details available through the Center for Creative Leadership) supervisors at a plant were divided into two groups. Group one supervisors received training in emotional competence — in effect, social skills that can be learned and applied in the workplace: skills like listening, talking, giving directions, presenting ideas and options. Group two supervisors received no such organized training. They were left to themselves to use whatever levels of social skills they came to work with every day and to convey to employees whatever they could or cared to convey.

You can no doubt guess the result.

Group one, led by the emotionally competent supervisors, skilled communicators, ended the year having reduced lost-time accidents by 50 percent. Grievances —

formal filings from workers contending wrongs by the company against them — dropped from the previous plant-wide average of 15 per year down to only three cases.

The trained group boosted the critical outcome, productivity translated into income, by more than a quarter of a million dollars over what was set as the year's goal. In the group led by matched supervisors who received no emotional competence training, there was no economic performance increase.

Small wonder then that corporate leaders embrace emotional intelligence — collective learning — as a valuable competency, exercised in the C-suite, and at the levels of production, marketing, sales and customer relations.

The bottom line here is that competence — economic and emotional — underscores the leadership test. As former CEO Bossidy says in his book, the failure of a corporate leader to exercise the vision of success and stakeholder expectations — in short, to execute competitive strategy, is the number one reason he or she is replaced.

Execution means focusing every competence in the company — from C-suite to all the levels of internal stakeholder interface — on working the plan to win.

### **CCO role is vital in the company focus on competence.**

Collaborating with C-suite leaders, the successful chief communication officer is a reliable source of counsel, coaching, contexts, concepts, content and connections.

To activate all those c-words, the chief communicator must understand and support *economic intelligence* and serve as company specialist in the learning process and applications of *emotional intelligence*. Both competencies are heavily dependent on leadership communication.

It is vital for corporate leaders — importantly including communication counselors — to probe, and provide answers to, “hedgehog” questions such as these:

*What are the best drivers of our economic engine? What achievable outcomes are we most passionate about? How unique are our core competencies? At what do our stakeholders expect us to be the best in the world?*

With the best view of and access to stakeholder perceptions, CCOs can continually help management address the game-changing question: *How do we form, communicate and execute strategies to engage internal and external stakeholders in realizing the best achievable return on our unique core competencies?*

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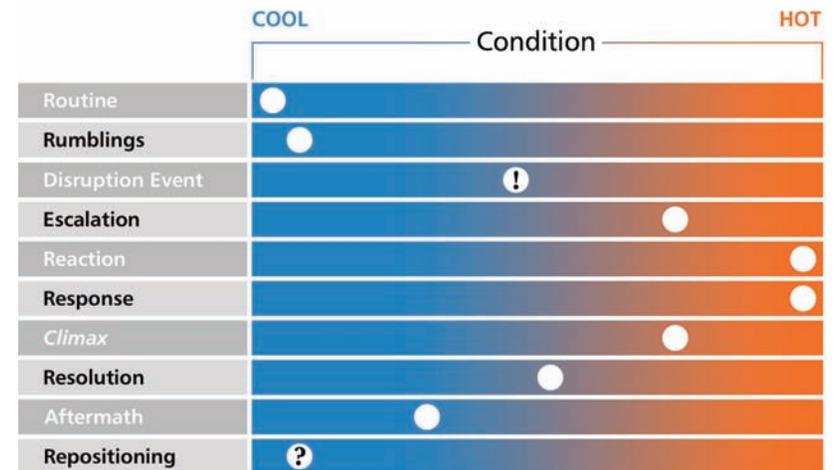
Click [HERE](#) to listen to an interview with Peter Salovey, John Mayer and David Caruso about the ability-based model of emotional intelligence and its implications for leadership and the workplace.

## The Five Components of Emotional Intelligence at Work

	Definition	Hallmark
<b>Self-Awareness</b>	The ability to recognize and understand your moods, emotions, and drives, as well as their effect on others	Self confidence Realistic self-assessment Self-deprecating sense of humor
<b>Self-Regulation</b>	The ability to control or redirect disruptive impulses and moods The propensity to suspend judgment — to think before acting	Trustworthiness and integrity Comfort with ambiguity Openness to change
<b>Motivation</b>	A passion to work for reasons that go beyond money or status A propensity to pursue goals with energy and persistence	Strong drive to achieve Optimism, even in the face of failure Organizational commitment
<b>Empathy</b>	The ability to understand the emotional makeup of other people Skill in treating people according to their emotional reactions	Experience in building and maintaining talent Cross-cultural sensitivity Service to clients and customers
<b>Social Skill</b>	Proficiency in managing relationships and building networks An ability to find common ground and build rapport	Effectiveness in leading change Persuasiveness Expertise in building and leading teams

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## CHAPTER 18 ANATOMY OF CORPORATE CRISIS



### Routine

**Business is proceeding as usual.** Company operations — production, providing services — are proceeding in a normal, planned and expected manner. Executives are performing to plan. Sales, customer relations, employee engagement are on track.

### Rumbblings

**Signals of problems are detected.** Potential negatives could become obvious inside the company (e.g., a production or supply interruption, a delay, a safety issue arises). There could be rumbblings in the external stakeholder ecosystem (product or customer dissatisfaction, threat of a

lawsuit that could become serious, unpredicted competition move). Some are controllable, some are not. In the extreme, the problem — controllable or not — could disrupt positive outcomes and perceptions.

### Disruptive Events

**Something happens.** It may or may not be a total surprise. It may or may not have been predictable. The circumstance could arise or peak from within or outside the organization. An ongoing, acknowledged problem — similar to situations which have in the past been addressed and controlled — rises to an uncontrollable level. For example, a production problem becomes unsolvable. A deadline is missed. Expected income fails to materialize; a financial matter escalates to a critical state. Or an external event, outside the control of the organization, abruptly changes the rules. For example, new government regulations (or executive fiat, in the case of BP, for example) impose stringent new requirements that affect the company's standard operating model, threaten its margins or very existence, and/or disadvantage the company in the competitive arena. Foreign competitors gain competitive advantage by “cheating” or abusing trade rule norms.

**Or, an “out of nowhere” event occurs.** There is an explosion, a fire, a natural disaster. A neglected, internal danger erupts. Competition changes a vital success option. There is a very serious episode of management or board mishandling. There is sudden death or disablement of one

or more key executives. In the C-suite, and at all the points in the company where this turn of events has an impact, normal and routine process and execution are slowed, skewed or stopped. Corporate leaders assess the situation. Is this a problem that can be handled? Has the company entered crisis conditions? Corporate communicators prepare for the first phases of crisis communication.

### Escalation

**The event disruption grows.** The crisis has begun. Stakeholder and media reaction put the company in a defensive, stressful mode, cast in one or more negative perceptions, ranging from incompetence to villainy. While production/sales continue, executing strategies and plans, these are shadowed by concern about the ability of the management to fix or deal with the condition. C-suite attention focuses on crisis management, with corporate communicators at the forefront.

### Reaction

**The company becomes a target.** This is the “hot” top half of the crisis, where stakeholder reaction challenges the company. External stakeholders — investors, customers, stores/dealers/distributors/service centers et al — are stirred. Bonds of trust are shaken. They worry about the impact on them. They think about (or actually engage in) withholding purchases, stopping or shifting investments, switching to competitors. A barrage of stories, blogs,

tweets, and social media agitate concern. Politicians, office-holders, government regulators may get into the “blame game” and seek protection or restitution among their constituents. Corporate communicators are on defense. As Dezenhall observes, it is less a case now of making them “like you” and more of making them “stop attacking you.”

### Response

**Company acts to control the damage.** Energy is directed to explain, defend, and determine ways to regain traction on the slope of the crisis. Senior management and the board scramble to determine moves to correct, contain and fix the negative situation. Corporate communicators activate internal and external communication programs, responding to questions, focusing on stakeholders directly or through public and social media, making executives available as spokespersons. This may be the period for earnest, transactional apology (see Dezenhall, page 81), remembering (per Dezenhall) that “damage control means more than having to say you’re sorry.” The communicator’s purpose now is to generate accurate, honest communication, from both the company side and from those affected by the crisis. The values of transparency are now a mixture of defense and offense, doing the media’s job with (and at times, for) them, and using collaborative processes such as linking to principles understood by stakeholders.

### Climax

**The company is positioned for offense.** Dramatic theater places characters in conflict until the point of no return, where the conflict is fixed, a situation is frozen to develop no further, a character achieves purpose or will not ever do so. This is the play’s climax. In the real-world drama of a crisis, with the company in conflict with other forces, the climax is the turning point at which the company can begin to regain lost ground, lost trust and lost stature. Whatever the root problem, however intense and costly the crisis, the company now has the opportunity for greater control. Senior management is able to commit to demonstrable, measurable correction, restitution (if needed) and repositioning with stakeholders. For example: faulty, damaging or unprofitable operations may have been shut down; damage may have been curtailed or entirely stopped; critical financial conditions may have been enhanced or settled. Corporate communication has the chance to get ahead of negativity, and provide open, honest, positive, caring information, collaborating with authorities and stakeholders on resolutions and recovery.

### Resolution

**The company re-enters the trust agreement.** The crisis having crested, effectively ended with the climax, the company and those affected enter into the phase of resolution that can extend over an unknowable period of time. During this period, company leaders must reassert values than can be usefully shared by stakeholders. The shared-

values promise will require a sustained level of commitments, delivery on expectations, possible financial commitments, possibly legal cases and settlements. Sustainable communication at a level of openness and honesty is required, based on management's serious engagement in mutually beneficial, long-term relationships and benefits to stakeholders. Communication will say, in effect, "don't trust us, track us" — evaluate us from this point forward, determine what's in it for you to believe, follow and affirm us.

### Aftermath

As company leaders strive to reassert "normal" conditions — seeking the return to productive routine, affirmative relationships with all who have a stake in the company's success, and execution of profitable strategies — they face a hard reality: "there is no over" when a company has wrestled with a serious, highly challenging, well-publicized crisis. The story may never completely die. Impact can linger both inside and outside the company. A new perspective of the company may have taken root among employees — changes reflected in the company's culture, for good or bad — and among external stakeholders, as well as observers, commentators, bloggers, enabled by an internet where content, the "history of the crisis" and views live forever. The external aftermath — with, for example, lawsuits, government action, and market moves by competitors — can recall the upside and downside of the crisis. Corporate communicators will need plans to deal with these bubbles of memory.

### Repositioning

Corporate leadership will need the strength of strategic communication to achieve the "new normal" of successful operations. Chief communication officers will usefully drive a factual, caring, collaborative, shared-values flow among stakeholders. Repositioning will move toward one sustainable goal: earned trustworthiness.

## CHAPTER 19

### CRISIS SPOKESMANSHIP: CEO ANALYSIS

ABC company is surprised. An operational disruption of crisis proportion. In the C-suite, routine turns into red alert. Questions abound: What's it all about? Who's working on it? What's the status now?

And the chief communication officer thinks: What do we say and when can we say it? She goes to work, connecting the dots, collecting information, collaborating with C-level peers, enabling her team to do their professional best.

It is a crisis: a disruption that threatens stakeholder relations, the company's reputation and its performance targets. Now, the CCO and her team know, the chief executive officer will need to be a spokesperson.

What do stakeholders expect from the chief executive when the company is at the center of a crisis?

#### BP Oil Spill 2010: A CEO's View

In this chapter, we zero in on a company in an extreme, life-taking, environment-spoiling crisis: British Petroleum and the disaster in the 2010 Gulf of Mexico. We have the benefit of an analysis of crisis communication from the top of an organization.

A year after the BP crisis, the CEO told students at a management seminar that he and his leadership team learned the requirements of crisis response: a serious and

realistic recovery plan, optimism that the plan can be achieved, and a thick skin to bear relentless criticism. Following is this report.

Robert Dudley, an American who grew up in the Gulf area, took the reins to lead the international petroleum giant, after the previous CEO, a Briton, failed to score as on-the-ground leader and spokesperson during the crisis. During one televised interview, the executive, who appeared harried and distracted, replied to a question about the time the cleanup was taking, with the comment that he knew it was taking a lot of time, and they he too would like his life back.

Observers and media analysts speculated that this executive, while diligently working, though out of his customary element, was ready to return to England and his regular management responsibilities.

The company's board gave him that option and put Dudley in charge.

#### One: Collaborative action plan

At the Thunderbird School of Global Management seminar in Arizona in November 2011 to discuss the Gulf case, Dudley said his leadership team learned a lot about the qualities needed to go through such a challenging event and ongoing circumstance.

Move number one is a focusing action plan, one that's understood by stakeholders and achievable. "You need ab-

solite determination and focus,” Dudley said, “the ability to make a plan and stick to it. The way we organized the response across four states was an example of that.”

First moves by BP under Dudley’s direction including conversations and an evaluation of stakes and expectations in Louisiana, Alabama, Georgia and Mississippi.

BP’s corporate communicators organized meetings and press events involving political, civic and environmental leaders.

While the crisis communication was open, and Dudley proved to be an accomplished spokesperson, it was certainly not all sweetness and light.

Dudley acknowledged, in the Thunderbird seminar, that BP understandably came in for considerable heat. “While you need to be sensitive to the feelings that such a crisis engenders, and these feelings will be strong, (so) you need to have a thick skin,” said the BP chief executive. “You have to ignore the noise and you can’t dwell on the constant public criticism that occurs in such a crisis.”

### **Two: Reality plus optimism**

Even under fire, Dudley said, “You need a quiet sense of optimism, especially as a leader. That comes from having a clear direction and knowing that you are doing the right thing. As for to relationships, on a personal level, you need to accept and appreciate the fact that...crisis such as this be-

comes personal and affects everyone. And in dealing with people in the organization, you have to recognize that everyone is under pressure, especially those managing risk at the frontline.”

Dudley made the point that the person at the top of the company can set the tone for the company and its intentions, but he can’t do it alone. He said, “It is vital to surround yourself with a committed, positive team — people with diverse experience and viewpoints who aren’t afraid to speak up.”

The right kind of communication is vital, this executive leader emphasized, whether it is planned or unplanned (perhaps remembering the faux pax communication of his on-the-scene predecessor). The leader has to be careful, caring and especially truthful.

The leader in a crisis has to face facts. Dudley said, “Denial is the worst enemy of effective crisis management.”

A leader has to constantly reach out to others, like the state leaders on the frontline of the disaster’s impact, as well as federal officials who arrive at the scene to evaluate the scope of government help.

In one very high level of crisis spokespersonship, BP’s Dudley was in a joint news conference on the Gulf Coast with President Barack Obama, who came in to show his concern and attention to the needs created by the explosion and oil spill.

### Three: Values such as respect

Time pressure is always an issue, Dudley told the students. “You have to find ways to make decisions in the available time — which never feels like enough. You have to prioritize constantly and identify the most important decisions.

“Timeless qualities count in these moments: treating people with respect — even under stress, working as a team, aiming to do the job as well as it can be done, whatever it might be.”

Values such as treating people with respect is a spokesperson necessity, Dudley said, because when you’re in a crisis, your values must be instinctive.

He said, “You have to communicate constantly with employees, shareholders and the public. In the absence of information, imagination runs wild.”

### Spokesperson: context, content, tone

BP’s Dudley has, by all evidence in a very sensitive, high-risk situation, grasped and is willing to talk with others about the essentials of *spokesmanship*.

Corporate communication leaders, however, know well that the CEO is not always the best spokesperson for the company, especially in an ongoing crisis response period. The fact that the CEO is the ultimate authority

means that he or she cannot be easily corrected or nuanced if facts are misstated, promises are inappropriate or there is the case of the harried or impatient executive whose comment is a stakeholder turn-off.

But when the chief executive is skilled, caring and on his or her game — understanding context, believing in the message content, and mastering the tone of caring and confidence — the chief communication officer has a powerful channel through which to help the company re-connect with shaken stakeholders.

## CHAPTER 20 COMMUNICATION CRISIS PLANNING

“Thank goodness, we were lucky that somebody knew what to do.”

That — a veteran chief communications officer of a company that had been through its share of crises told us — was without doubt the best compliment he ever got from a C-suite colleague. The certain crisis situation was cooling, moving from damage control to resolution, and luck — an achieved outcome — was once again in the air.

“Luck” does happen, of course. But, as the saying goes, luck has the curious habit of happening at the intersection of preparation and opportunity.

This chapter is about raising the odds for lucky outcome through methodical, persistent preparation within the function of corporate crisis communication.

We focus on the CCO’s essential role through the typical stages of a corporate crisis: from rumblings and red flags of trouble to the turning point of climax, toward the winning prospect of resolution and a successful aftermath.

Preparation’s starting point is *purpose*.

### CCO purpose: enable effective corporate crisis management

What specifically is the CCO’s values-driven objective? We believe it is to apply the three strengths of corporate communication — mastery of information flow, intimacy and influence within the company’s culture, and active interaction with stakeholders and media — to enable effective corporate crisis management.

We differentiate corporate crisis management and corporate crisis communication to underscore that comprehensive crisis management typically involves a lot of people, up to and including the chief executive and other senior people.

### Corporate crisis management: benefit from corporate risk management

The theoretical origin of crisis management is in *risk management*.

Risk management is a company-wide function commonly conducted through a top-level risk management committee (typically involving the CEO, a chief risk officer, the chief financial officer, the head of legal and other C-suite leaders) which may well engage on this with the board of directors. In fact, a board-level risk management committee is becoming an increasingly important governance tool — involving board members in the corporate process.

Guiding principles for improving board oversight of risk were defined by the National Association of Corporate Directors in the October 2009 Blue Ribbon Commission report, *Risk Governance: Balancing Risk and Rewards*. According to the NACD report, every board should find ways to implement risk oversight principles such as these (our emphasis added):

- There is recognition that **management of risk is essential** to the successful execution of the company’s strategy. The **risk appetite** implicit in the company’s business model, strategy, and execution **is appropriate to the business**.
- Management implements **a system to manage, monitor, and mitigate risk** in the company’s business model and strategy.
- The risk management system **informs the board of the major risks** facing the company.
- Expected **risks are generally commensurate with expected rewards**.
- An appropriate **culture of risk-awareness** exists throughout the organization.

Our observation: corporate communication has a collaborative opportunity in working with others in the C-suite (and possibly, directly with board members) on objectives such as these; and, the CCO may be directly accountable for influencing a “culture of risk awareness”. This will require clear understanding of board and management commitment — what can and should constitute

internal communication — and a strategy to achieve leadership and worker engagement.

Public companies registered on U.S. stock exchanges are required by government rules to warn investors about circumstances or events that could forestall or make irrelevant the company’s plans for financial and operational performance.

Company annual reports to the Securities and Exchange Commission (known as 10-K reports) list the presumed “risks”: statements about developments that could negatively affect the company’s strategies or plans to succeed.<sup>74</sup>

Risk factor identification is a benefit not only to investors who can see what management conceives as possible problems. It also encourages management toward a continuous pre-crisis focus.

If a crisis develops (which may or may not have been anticipated in the risk factors identified in the annual report), company management leaders have accountability to determine the cause of the event or culmination of circumstances. They must assess the physical, financial, legal and operational effects of the disruption. And they must decide — with operational/production/sales interaction — when, how and what actions (for example, at plant or sales levels) to control the damage and move toward climax and resolution.

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<sup>74</sup> Risk factors for a SEC-regulated company can be found at <http://www.edgr.com>

When a financial crisis disrupts a company's reputation and business strategy, corporate crisis management conducts the internal inquiry to get to the root of the problem, takes whatever action is needed to ameliorate or stop it, and deals directly with board and other external parties who have an immediate connection to the outcome of the crisis. When an accident, a contamination or another disruptive condition threatens not only the company but the lives and interests — perhaps the physical well-being — of others, corporate crisis management attacks the problem, tries to stop further damage, assigns people away from other tasks to focus on the situation.

This is a general and simplified summary of leadership accountability for *corporate crisis management*.

### **CCO accountability: crisis communication**

Chief communication officers are part of the management team, applying their special competencies. Through continuous engagement with stakeholders to assess current attitudes or perceptions in the stakeholder ecosystem, CCOs can be among the first leaders in the C-suite to detect potential risks and disruptions. Through their influence on corporate culture, CCOs can boost employee and leadership commitment to intended outcomes as well as potential readiness to deal with imposed disruptions. And, through virtuoso performance in information flow, CCOs are hugely influential in the ability of the company to create accurate, open and trustworthy engagement with media and stakeholders.

The expert communication team—comprising the chief communication officer, staffs and public relations consultants — puts into play the *crisis communication plan*, with full attention both to in-house communication up to and including those in the C-suite and those who may be in the field at the site of the disruption. The CCO moves into a position of high responsibility as counsel to management and as the director of dialogue with stakeholders, media and others with a stake in the situation.

In sum, CCOs are engaged with other company leaders in the overall effort of *corporate crisis management* by planning and driving a *crisis communication process* that supports or enables high-level assessments, action and best achievable outcome.

That process begins with pre-crisis preparation and is implemented throughout the stages (the anatomy) of a typical crisis.

## CHAPTER 21

### CCO CRISIS COMMUNICATION CHECKLIST

Before any serious, disruptive condition or crisis occurs, let's assume that you, as chief communication officer, and your company have the following necessities for the prepared CCO:

#### **Crisis Contact Directory**

This directory includes names, email addresses, phone numbers (home and business wherever practicable) possibly fax numbers, and any other contact enablers you need in a crisis condition, and *they are up to date*.

- Your communications team
- C-suite leaders, CEO, CFO, chief legal officer, and others
- Heads of business units, IT, HR and everyone else in risk management
- Assistants who support, serve or schedule each of these leaders
- Any other useful contact information specific to your company

#### **Crisis Communication Website(s)**

In addition to your corporate sites or sections within the main site, you have set up a standby (or “dark” — meaning not accessible to anybody but you and your responsible staff and IT partner) website that you can

activate and promote to stakeholders and the public as soon as practicable when you are in a crisis.

This standby site contains accurate, supportable basic facts, data, key information about the company — everything you might need (and you won't want to have to scramble to assemble) when the crisis occurs. Someone on your communications team is assigned to keep it current, adding or revising information for accuracy and timeliness, to test it DAILY, and be prepared to manage or go public with it, at your direction.

While not (yet) open to the Internet public, the standby site must be put together and maintained as though it is already public. This assures you will not have to vet the information later, when you're under pressure. And, it assures that, although you may think of it as not available, nothing is foolproof; all things are knowable and there could be a slip that makes the site open to anyone.

Companies are constantly preparing for crisis. Paul Flanigan of Southwest Airlines described his company's pre-crisis work: “We're busier when there's nothing going on because we are constantly preparing and altering our contingency plans to address things that could happen. Communicators meet up every month to update those plans. Pre-approved statements for various scenarios each have an executive spokesperson attached. We're getting all the buy-in right at the beginning.”<sup>75</sup>

<sup>75</sup> <http://www.prdaily.com/crisiscommunications/Articles/13906.aspx> accessed 2/24/13

## Crisis Communication Generic Templates

You have a set of standby, hypothetical, generic and in some ways specific, drafts of releases or statements that will give you a head start on knocking out what's needed when crisis crunches your time and focus.

Templates give you an instant supply of newsworthy statements, excerpts from corporate position statements or quotes already made that can be inserted adapted or referenced as relevant.

Basis of the templates are previous news releases, fact sheets, financial, social responsibility, culture, values statements; what, who, when, where facts on the company, people, locations, operations, business partners, and other current information, regularly updated.

Templates of news releases are drafted and kept in your (and other team members') documents files, ready to cut, paste and shape for use. You and others on the team know how to get these templates quickly. Just reviewing them is a thought starter for you.

## Crisis Communication Center

You have designated an office, conference room, assembly room, preferably one accessible quickly by your crisis team. This room has, or can quickly be equipped with, private and speaker phones (you have assured that cellphones work in it), a lot of electrical outlets, PC, extra cords for charging communication equipment (cellphones, laptops, iPads, etc.), video equipment, TV set, a large and

accurate clock, calendar, whiteboards, flipcharts...and water, coffee, fruit juice, soft drink, and energy bar accessibility. A staff member has put on the board or flipchart your "rules of the road", the FACE (Fast, Accurate, Caring Engagement) reminder, possibly the Arthur W. Page Society principles of corporate communication (see [awpagesociety.com](http://awpagesociety.com)), and your company's culture, leadership or values statement. You have arranged after-hours access, parking, and building entrance. And you have let everyone know you are reachable 24-7 by phone to the war room or to your cell.

## CRISIS QUESTIONS Checklist

Crisis related questions that you consider and raise with your team are not going to be in any logical, reliable order, and the nature of the question has to fit the circumstance. Here are questions you can scan to see what's relevant and what you and your team need to know, discover, understand and do.

Here's a caveat: These are thought starters to help you lead crisis communication response and management. While we have tried to put these in some logical order, it is unlikely that you would use them in this exact order. We do urge you to always ask, in any engagement, the first question — what's it all about? — and to listen, learn and adjust to the reality of each situation, including the reality of the other individual's perception of it.

- What's it all about?
- What's the source of what we hear or know?
- Is there any harm to any person?
- When can we, when do we have to, be ready to go public with a statement?
- What's our level of risk in this situation?
- Who's manning our listening station?
- What's out there — who knows what, when, where, why?
- What's on the internet?
- Who do we need to call?
- Where do we meet, what's our war room?
- Who tells the CEO?
- How does the CEO want to communicate, with the board of directors and others?
- What are the contexts — other news about us, industry competitor news, events in which we're participating, upcoming analyst call, board meeting, product or news announcements (positive or negative) — that surround and influence what we will experience in communications on this situation?
- Who are tentative candidates for our spokesperson?
- What are we doing to become the source?
- Who activates the dark site, and manages it?
- What are our rules in this case on blogging, tweeting, Facebook; who follows, who prepares entries for our site?
- Who institutes drivers to our site...including search engine optimization and management?
- Who watches the clock and reminds of deadlines and targets?
- Who keeps the log/record of what happens, what we do, says as we do it?
- What are the contexts surrounding (the event, the incident, the situation) that affect our ability to control and to succeed?
- What expert/legal/technical advice/source/validator do we need?
- So far, are we victim, villain or something else?
- Do we need to explain why or “apologize” for anything?
- How do we show FACE — fast, accurate, consistent and caring engagement — with all our stakeholders?
- Who on our staff is assigned to think strategically about the perceptions of us by each stakeholder group? ARE we perceived as accountable, responsible, engaged, available, transparent, thoughtful, possibly heroic (inferred by others not us), dedicated to the best achievable outcome for all concerned, not just ourselves?
- What is our company's BAO in this situation?
- What is our one huge, authentic and unassailable fact or asset?
- What experiences or crises of other companies are relevant?
- What is our biggest vulnerability, now and ultimately?
- What's the worst-case outcome, in detail, impacting what and whom?
- To what extent is communications the problem, by us or by others?
- How do we make sure that our communication is part of the solution?

- What are our main message points...how do we break this down for relevance for each stakeholder group, each of our business/operating units?
- What are the possible “climax” scenarios...when the greatest level of tension is likely to be reduced? (Climax is not necessarily what we can control or predict precisely, but let’s think through some candidate climaxes, because after that, our communication strength and strategies shift.)
- Who on the communications team is in charge of monitoring and keeping the rest of the team informed, 24/7 — meaning a posted schedule to rotate this.

### Attitude

The CCO and communications team are the example of confidence and communication leadership suited to disrupted situations such as this. Does everyone on the communications team understand that we must be active, able to listen, assist and carry out our role with a substantial degree of displayed confidence and calm?

Speakers such as Nicholas Ashooh of Alcoa and Gary Sheffer of General Electric have told our class at Georgetown University that the chief communicator’s imperative asset during a period of disruption, and possible impending dismay, must be to listen, to adjust to ongoing concern, while continuing to focus on the realities of dealing with the situation.

Describing reality and maintaining optimism—that is, a realistic route to a best achievable outcome—remain the attitude of a winner.

You, the CCO at the top of the organization, may need to be the most confident, as well as the highly competent, member of the corporate management *process*.

As Arthur W. Page advised in his communication principles: Remain calm, patient and good-humored.<sup>76</sup>

### Guide: Dealing With an Angry Public

(Adapted from MIT-Harvard Public Disputes Program)

Some crises produce angry reactions, or disputes, that alienate affected stakeholders as well as external critics, advocacy organizations, political groups and others.

A public disputes resolution program conducted by MIT and Harvard Business School is aimed at corporate and organizational leaders. Here are edited highlights of this well-regarded, effective leadership course, adapted by your authors to be considered in crisis communication:

1. Acknowledge the concerns of the other side.
2. Encourage joint fact finding.
3. (Consider) contingent commitments to minimize impacts (such as compensation).
4. Accept responsibility, admit mistakes, share power.
5. Act in a trustworthy fashion at all times.
6. Focus on building (or sustaining) long-term relationships.

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<sup>76</sup> awpagesociety.com

## CHAPTER 22

### CCO 7-POINT CRISIS DISCIPLINE PLAN

Crisis management is “a rare corporate discipline,” observed a notable crisis expert.<sup>77</sup> Are corporate communicators disciplined? When critical disruption occurs, when “damage control” is needed, who must deal with a surge of significance regarding information flow, stakeholder perception and cultural conditions? Following is our seven-point CCO crisis-ready discipline plan.



<sup>77</sup> A *Business Week* reviewer of Dezenhall's book *Damage Control: The Essential Lessons of Crisis Management* (2011 edition) called it “a mandatory read for any corporate person who is facing a gut-wrenching crisis right now or is likely to one day — which of course means just about everyone.” (review by Stanley Bing; see his incisive and entertaining books on corporate management behavior.)

#### 1. Prepare a 'dark' website.

A company's website is arguably the most controllable factor, the most relied upon and most reliable source, in the panoply of corporate communication. A dark site — that is to say, a private, stand-by facility that can be opened at your option for general access — is your ready repository of information, opinion, photographs, data, fact sheets and the like that can be useful in the event of a crisis.

It is your ace in the hole that you hope you never have to play.

On this site, with continuous deliberate attention, you put accurate, well-supported information that you'll want stakeholders to see if negative conditions surround the company. Look in on it privately, frequently. Put someone in charge of keeping this utility-in-waiting up to date.

Keep asking, *what if?*, and post your trust-sustaining positives.

#### 2. Create stakeholder list.

The purpose of corporate communication is to create and sustain stakeholders in the company's plans and delivered values. *Especially during a crisis, the aim, care and trustworthy feeding of information to stakeholders are essential.*

Disruption in a company's plans and value-driving routine — a definition of corporate crisis — can well touch off a relationship crisis, threatening the bonds that connect company and stakeholders.

It would be unsettling to others in the C-suite for the communication team to be scrambling for names and numbers when contexts, time and information content are shifting.

Pre-crisis preparation requires maintenance of a current, complete, categorized list of stakeholders and how to reach them: personal, email, telephone and other connection data.

### 3. Identify key media/bloggers.

Your active, standby list of print, broadcast and online journalists — media, bloggers, tweeters — is another asset in your mastery of crisis communication.

Find, make a list and follow those who follow your company.

If and when any of those followers, friends or critics, have good things to say about your company and leaders, capture it and keep it. Put it in a safe place (maybe a corner of your dark site, if it's easy to delete when and if it is not ready for sunlight) for possible use later.

### 4. Assure 'situation room' tools.

Your crisis communications center is the situation room where your communication team can meet, work, contact, interview, respond to or initiate interviews (with appropriate spokespersons — see point 5 which follows), and stay engaged purposefully during a crisis.

This "situation room" is most often a conference room, in use normally as a meeting room, that is outfitted

with first-rate communication utilities — phones (speaker/personal), whiteboards, TV, computers and/or ample (multiple, abundant, high-load) electrical and on-line connections.

An ongoing responsibility for someone on the communication team is the availability, testing and functioning of the technical tools that corporate communicators and the C-suite will rely on.

Arrange outfitting and crisis-priority use of the room with the office administration and technical support people. *And, this is important; it is a room that is taken off the available list for any other use during the high-stress period of focus on the crisis.*<sup>78</sup>

### 5. Train spokespersons.

A communication team member will be the day-to-day information source for the news media. In addition, almost always, you will need someone at a responsible management level to deliver authoritative messages.

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<sup>78</sup> The room we have called "situation room" or "crisis communication center" has often been referred to colloquially as "the war room". While this shorthand does convey a sense of urgency, it seems to us also to convey some heat, bordering on belligerence. The purpose of corporate management, after all, is a return to mutual values and productive peace. One of the three accountabilities of expert corporate communicators is to positively influence the organization's culture. CCOs' use of language — the most common factor of leadership — drives that influence. CCOs are advised by veterans (going all the way back to Arthur W. Page at AT&T in pre-World War II days) to try to be something of a model of cool competence during a crisis. Bottom line: shy away from talking about "war" which conjures up images of victims and villains, and us *vs.* them.

Depending on the nature of the crisis, this may be someone at corporate headquarters or at a production, research, sales or other facility.

You will need to identify the candidates during non-crisis, routine times, and provide spokesperson training.

Talking point development, presentation skills, styles of communicating consistent with stakeholder/public interests will be part of the training.

Corporate communicators customarily engage outside experts to provide the training; it's a good idea for the CCO and her team to go through the exercise first, before exposing your people to this important exercise.

## **6. Assign team roles.**

Keep crisis consciousness alive within your team. Assign someone to each of the accountabilities in this guide, and put this on your agenda. Review the plan regularly, certainly quarterly, with touch-ups whenever you feel it's useful — and especially when there are changes in your team.

## **7. Integrate with crisis management plans.**

The crisis communication plan, your responsibility, is the enabler of information flow, stakeholder engagement and supportive culture. This must tie into the overall plan of management to deal with the physical, financial, legal and other related accountabilities.

Your focus — or that of your team — must be on assuring that communication planning is directly related to all aspects of the corporate crisis management plans.

This will require interaction by you, as CCO, and by those who work with the business units, investor relations and others responsible for mission performance, with an eye on any adjustments needed in the communication plan — for example, stakeholder lists — as an adjunct of change and transformative management leadership.

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You may also be interested in more blogs related to PR and communication by Professor Harrison, going back several years. These are available at **envirocomm.com**

For other commentaries on this and related communication and PR subjects, go to **awpagesociety.com/blog/**

Members of the Arthur W. Page Society, from all over the world, including your Georgetown faculty members, comment regularly on news and developments related to the role of the Chief Communication Officer.

For guidance of PR jobs and connections to other PR-related sites, go to **culpwrit.com**

Ron Culp, who has served as public relations director at some of the most innovative corporations, and been political adviser and press secretary in some of the nation's most rigorous campaigns, blogs about insights and direction for individuals pursuing careers in corporate and environmental public relations. On Culp's website, other sites related to the PR field are listed as favorite sites, accessible through clicks.

## BEYOND FOLLOWERS: SCALING UP TO STAKEHOLDER ADVOCACY

September 3, 2012

Research and studies by the Arthur W. Page Society indicate that corporate chief communication officers (CCOs) are building toward accountability for improving advocacy within the company's stakeholder universe. CCOs are:

- Designing information, messages and assets so that they are found via search and shareable via social media.
- Creating web tools — such as expertise location systems — that automate the insertion of knowledge and individual experts into situations where they will be of value.
- Working with peers in industry, government, NGOs and elsewhere to establish independent institutions that pool resources and drive advocacy.

Ultimately, says the Page Society, CCOs enabling advocacy among followers and believers will require chief communicators to go beyond the development of messages, positioning and policy, to actively engage in day-to-day management of the enterprise.

Such an expanded accountability, Page suggests, means chief communicators must take on new roles as integrators, system designers, masters of data analytics, publishers and developers, students of behavioral science, and curators of corporate character.

It is a challenge in new and changing territories. What does each of these role categories contain and require? Here are current (2012) Page Society findings and insights:

### Integrators

The CCO must integrate skills and responsibilities across the C-suite to make a company think and perform like its corporate character. The CCO can help formulate formulation, develop management systems, identify opportunities and implement insights.

### System designers

A social media strategy, for example, is inherently cross-enterprise and systemic. It must be designed and optimized like any complex system.

### Masters of data analytics

CCOs will need to build the capabilities to understand a broad range of their enterprise's data, as well as the growing mountain of information produced in social networks — and they will need to be able to do so in real time.

### Publishers and developers

CCOs can provide facts and evidence, create opportunities for stakeholders to have a personal experience, produce applications that show “how to” and present role models of desired behavior. This can be done through a combination of paid, owned and earned media.

### Students of behavioral science

Now that the CCO job has expanded to include shaping cultures, attitudes and beliefs, CCOs must be skilled in how those dimensions of organizations, societies and individuals are formed and evolve today.

### Curators of corporate character

The CCO must lead the company in establishing and implementing management systems to define and activate corporate character.

(Source: for further study on this concept and the CCO path ahead, see the Arthur W. Page Society's 2012 report, *Building Belief: A New Model for Activating Corporate Character and Authentic Advocacy*)

## VOLUNTEERING IN THE CONSTANT CONVERSATION (J&J AUGUST 2012)

August 16, 2012

An outstanding example of corporate leadership communication appeared on the first page of the *New York Times* business section on August 16, 2012. The story was about Johnson & Johnson's decision to remove "questionable chemicals" from baby shampoo, acne cream, anti-wrinkle lotion and other personal care products.

Here is the significant quote from the spokesperson: "There's a very lively public discussion going on about the safety of ingredients in personal care products," said Susan

Nettesheim, vice president for product stewardship and toxicology for (Johnson & Johnson) consumer health brands. "It was really important that we had a voice in that."

In my view, this is very near the epitome of leadership communication because:

1. The context: It plugs strongly into stakeholder (and generally held) values; it gains weight because it's about an initiative not required by government; it is from a company that has had its share of hard knocks about products, but this particular issue was not escalated; Johnson & Johnson was not in the spotlight, testifying before a government committee or in any other "defensive" position. Doing "good" and telling about it thereby gains a greater ring of truth and a boost to trust.
2. The content: The communication is clear about what removing the chemical(s) will be, what it means, the time frame. Enabled by the voluntary nature (the context) of the announcement, the reporter — Katie Thomas — was able to seek reaction and quotes from environmental/consumer group, all of which was positive and evinced a bit of favorable surprise.
3. The tone: All around — the spokesperson, consumer advocates and the *Times*' reporter — conveyed a tone of responsibility, caring (about people, with emphasis on babies; about the environment; about sustainability) and leadership.

CEOs and chief communicators are getting comfortable with the transforming reality that credibility and trustworthiness mean strategic participation in the constant conversation that's growing stronger and more influential about public companies, their products and performance.

As J&J's spokesperson said in this instance, it was "really important that we had a voice".

### STAKEHOLDERS RESPOND, RELY ON OUR WORDS

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August 13, 2012

In the CCO's world of words, impact on stakeholders is the test. What can the corporate communicator do to cut through all the other conversations to caution or to reassure? Stirring this blog is a surprising (at least to me) source: a teacher combination of Alan Greenspan, who led the Federal Reserve Bank for nearly 20 years, and a *New Yorker* Financial Page contributor James Surowiecki ("Bankers Gone Wild," July 30, 2012).

Assessing current financial chaos, Surowiecki recalls a 1999 comment from the former Fed chairman: "In virtually all transactions we rely on the word of those with whom we do business."

Greenspan was exceptional at connecting with listeners. He used two strong devices. One was artful phrasing that provoked a listener to think. The other was to state a

simple fact, a point that required no thinking; it merely, strategically reinforced a truth.

We all recall his famous use of the first device. Greenspan described a bullish Wall Street view on a matter of national financial significance as "irrational exuberance." The media delighted in adding to the financial lexicon a quirky, quotable and thereby memorable description of a condition that may or may not prove to be realizable — or, in fact, true. Greenspan, master communicator, stopped the presses (more of those in those days) and the enterprise heightened its leadership perspective.

*New Yorker's* Surowiecki provides an example of plain-talk Greenspanism: While a fired-up phrase ("irrational exuberance") stirs listener rethinking, a calm restatement of principle ("transactions...rely on the word of those with whom we do business") requires little thought. It is accepted as truth as soon as it is heard. It is a verity.

This seems to me a good reminder about the strategic, appropriate impact of words and principles in leadership communication. By their words, CEOs can stir stakeholder rethinking (questions) as well as relaxed reliance. By their works, CCOs must lead toward both, with emphasis on the principle of verity and source reliability.

## EKE: EVERYBODY KNOWS EVERYTHING, EVENTUALLY.

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July 14, 2012

As the attempted control of information, the assumed secrets of the Penn State University scandal were displayed in a report compiled by former FBI Director Louis Freeh and his law firm in 2012, a Washington Post columnist observed, “Among the most shocking revelations in the 162-page Freeh report is that there isn’t a shocking revelation to be found.” The rumors, the facts, the shadings, the things concealed were already out there.

Few if any company or organization will confront a situation with these painful, criminal ramifications. But it is a situation to stop and consider the reality of leadership and the result of poor leadership communication.

Every leader and communicator in a public company would benefit from a caution sign or a note in a personal daily diary: EKE. Everybody Knows Everything. Or thinks they do. Or soon will.

This is the safe assumption: there are no certain secrets in public company life.

Anyone who cares to know anything about your organization can get some, and perhaps a lot of information, right or wrong, correct or incorrect, timely or not, from some source at some time. Only transparency can trump or prevent the flow of damaging leaks, speculations, infer-

ences among followers and stakeholders. Openness, like perception, is reality. The leadership communicator's hope of influence is providing stakeholders with as much of the ongoing real story — Arthur W. Page’s “truth with proof” — as practicable, aware of the waiting whirlwinds of EKE.

## LEADERSHIP IS LOCAL

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July 9, 2012

All leadership, as with all politics, is local.

The business leader depends first and most heavily on the circle of executives closest to him, his direct reports.

Jim Collins, in the research resulting in his book, *Good to Great*, found that the most imperative element in the chief executive’s sustained success is the ability to get “the right people on the bus”. The people closest to the leader are not only the strongest advocates for the leader’s goals, who most clearly grasp the vision and whose influence creates the culture; there are also the think-tank pinnacle of the organization, whose thoughts, reactions and input help the chief executive to lead.

This localized C-suite beginning of leadership is the engine for effectively driving the bus over greater distances and in needed directions. If you are unable to create, enable and sustain a base of strong supporters close to you, the rest of your followership ranks is vulnerable.

My wife had the opportunity of a seat at the table, literally, when Colin Powell led the State Department. As an assistant secretary of state, Patricia sat with fellow members of the Secretary's team every morning. It was an energizing, two-way daily exchange. "Secretary Powell was very clear about what was on his mind and what we had to get done," she told me. "But, just as important to him was to make sure we were all focused on the right things. He went around the table and heard from everybody. And," she added, "he made it very clear that he supported each of us." The locals were in sync.

Leaders who win make sure that followers closest to him or her are informed, focused and supported.

### USING PRIDE TO PROD CORPORATE CHANGE

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July 6, 2012

As guest lecturer in our crisis communication graduate class at Georgetown University this year, Page Society President Roger Bolton underscored a basic tenet of leadership communication: corporate culture has the power to kill or to energize the execution of strategies.

Roger told students the story of transformation at Aetna in the early 2000s, when he was CCO, recalling a break-through moment. Aetna's new CEO, John W. Rowe, M.D., undertook a personal campaign to align management's vision and stakeholders' values. Reinforcing

a longtime strength that had eroded — employees' personal pride in being part of a company like Aetna — Rowe engaged in a series of employee meetings.

Here's Roger's story:

"In one of these early meetings, after Jack Rowe had finished an articulate and compelling description of what came to be known as 'the New Aetna', he took questions from the audience. One of the questions came from an experienced, loyal and well-known Aetna employee named Jeannie, who asked, '...but what does it all mean for someone like me?'"

"While the question was simple and to the point," Roger recalls, "it was not an easy one to answer. Jack hesitated before answering. 'Well, Jeannie,' he then said, 'I guess it is all about restoring the pride.'"

There was a pause, followed by an impromptu standing ovation.

"This simple phrase, restoring pride," said Roger, "became the central theme of the turnaround. Restoring pride energized cultural support for the turnaround."

An article in the current *Harvard Business Review* (Cultural Change That Sticks) by Booz & Company writers draws wisdom from Aetna's culture transformation led by Dr. Rowe. It's worth reading, especially to help CCOs understand the power of honoring the strengths and working with the realities of the company's existing culture.

As Arthur Page held, corporate vision has the best chance to turn into victory when it gets permission — which Roger in our Georgetown class updated to the levels of belief and advocacy — from the stakeholders, starting with those closest to the visionaries.

### COMMUNICATION WITHOUT ‘GATEKEEPERS’

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June 9, 2012

Fences are down, gates are irrelevant. Google and Facebook and Apple and Amazon, pads and phones and clouds — the endless chatter and the ease of leaks — have changed the lives of corporate gatekeepers.

The founder of Amazon.com told columnist Tom Friedman, “I see the elimination of gatekeepers everywhere.”

CEO Jeff Bezos was referring to cloud computing where anyone anywhere can for a small fee go through Amazon’s open portals to sell things, get a job, start a company or self-publish.

But it’s another gate flung open to reposition corporate communications as one of many voices reporting, tweeting, tweaking and twisting business news and views.

Vapor views increase the transparency ante (nobody forgets that the fuse for Wall Street’s investor explosion was touched off by a leak of analyst research about Lehman) in corporate gate-minding of news released to meet regulatory requirements.

Do empowered stakeholders mean the powering down of public relations? If everybody knows, or can know, virtually everything about every public company all the time, where does that put the corporate communicator?

Asked by the *New York Times*’ Corner Office writer what leadership lessons he’s learned, Chris Barin, head of the IT cloud company, Appirio, said look first to company employees.

“(Transparency) is a huge part of our culture,” he said, “and what I think makes a company and team really thrive and work.”

The reference was specifically related to negative information, such as cutbacks, certainly the most sensitive and personal matter in any organizational culture, but his point was broader: “You should never surprise an employee.”

This CEO’s view, shared by more and more company leaders who see the light of intrusive openness, is that everybody in the company needs to know as much about everything as humanly possible, and to get in on the action.

That was essentially what Sam Palmisano tackled when he took over as IBM’s chief years ago. He let thousands of employees have a say in what the company ought to be doing to keep pace with, and drive, change.

Today, with gates vaporized, CCOs must work within a new reality to create and manage the flow of information to sustain the trust-based deal between company leaders and stakeholders.

CEOs like Barbin understand that the starting condition for success is in-house openness, to insure that employees are well informed. To paraphrase Harold Burson, to most outsiders, the company employee is the true expert. He or she needs to be prepared — and, at best, able to advocate — in the unfenced social conversations.

As for the CCO, the best re-powering mantra, entering the cloudy, crowded new reality, is: EKE! — Everybody Knows Everything! Or at least they think they do.

### ‘PUBLIC RELATIONS’? ‘COMMUNICATIONS’? SHALL WE STRADDLE?

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May 28, 2012

Paul Holmes, the Brit who came to the US to edit a PR publication and stayed to become a major force for successful public relations performance, goes to court in a recent commentary, with his case for reaffirming “public relations” as the proper description of the field.

Paul makes the case that:

*“Public relations” describes the highest-value deliverable for corporate clients.* Firms help companies “build strong, authentic, mutually beneficial relations between themselves and the public.”

*“PR” avoids confusion of firms as part of another industry.* Paul underscores the possible confusion with a “com-

munications” (or, information technology?) industry. And (tongue-in-check, as I read this blog), he says that very few companies are actually looking for “a perception management agency”.

*Surrendering “PR” sells short the ability of professionals to grow the profession.* “If we are truly skilled at managing the relationships between organizations and their stakeholders, at changing perceptions, at positioning brands and managing reputations,” Paul reasons, “then the challenge of changing the relationship between the PR industry and its clients should not be beyond us.”

In support of his case, Paul summons Arthur W. Page.

“Public relations firms,” Paul says, “have to be prepared to advise companies on policy and behavior, not just communications. Substituting just two words in Page’s dictum, they need to remember that ‘the relationships of an organization are determined 90 percent by what it does and 10 percent by what it says’.”

In short, Paul contends: What we do is about doing (counseling, creating and sustaining stakeholders) and not just about telling (communicating the truth).

Is this a matter for Page turning? I know. Paul is talking to agencies. But agencies anticipate and respond to (and at best, in useful ways lead) leaders on the client side, who manifest the Page Society. Can anyone witness for “communication”?

## THE SHATTERED DOME OF SILENCE

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May 18, 2012

In 2006, among her many perceptive *Wall Street Journal* columns during the Bush Presidency, Peggy Noonan described the Bush-Cheney White House as a place where sensitive information was carefully contained. After the incident of the accidental shooting of a fellow hunter by Vice President Cheney, Noonan said that chief executive communications were within "a never permeable dome of silence."

There was no such thing, as it turned out. The shooting story leaked and cascaded across media channels in the way that all information does when it is newsworthy — that is to say, interesting and of value, to publics and stakeholders.

In an open and democratic society, information within government as within publicly owned companies is not as containable as perhaps it arguably once was, when media channels were fewer and iconoclasts rarer.

Noonan learned one never says "never." Presumptive, controllable domes of silence have been long and irreparably shattered.

The new reality, and it's not all bad, is that leadership communicators now play a more significant role in the flow of information between the organization and its stakeholders, and these principles now prevail:

Paul's right. Communication is nowhere near the whole story. But we had to get with the program. The terms "PR" and "public relations" became so diminished (dare I say, demonized) by reporters and editorial writers and bloggers and other scoffers that serious practitioners and professionals had to change the subject.

The Page Society a few years ago switched from chief public relations officers (CPROs) to CCOs, and peers in the C-suite seem to respect it.

And we respect our roots. Public relations principles of Page and other forebears are interpreted and applied by corporate communicators.

I like Paul Holmes. Paul encourages best practices, been here for decades and now spells behavior without a "u." I very much respect Paul's pounding away at the point that the goal is to achieve results, envisioned by management and enabled by stakeholders.

Fact is, in the corporate (and thereby the agency) vernacular, as far as PR v. Communication is concerned, none of us is above a little straddling.

Many of us belong to or support the Public Relations Society of America. I do some teaching at Georgetown University. GU's department does a magnificent straddle, offering courses leading to an MPPR — Master of Professional Studies in Public Relations and Corporate Communications; our department was delighted to get one of Paul Holmes' SABRE awards this year.

### Corporate Communicator New-Reality Principles

1. Assume everybody knows, or soon will know, everything.
2. Understand that everyone (including you) constantly seeks answers to the question, “*What’s in it for me?*”
3. Know that trust is easy when the value is clear.
4. Know that stakeholders, when surprised, look for explanation and reassurance.
5. Expect, if you surprise, to receive a lot of hits and no free pass.
6. Understand that we are in a period of hunger for drama which stimulates the open process of identifying villains and heroes.
7. Expect analyses — good, bad and irrelevant — from experts and common folk.
8. In leadership communication, there are two keys: describe things constantly and tell the whole story.
9. Expect that half-truths, fuzzy near-facts and outright inaccuracies will make their way into public discussion, analysis and judgment, good, bad and irrelevant.
10. To sustain followers, who create as well as abandon leaders, provide a plan they will understand and say, “*I see what’s in it for me.*”

Contrary to the theme expressed by the Wild West newspaper editor in the wonderful movie, “The Man Who Shot Liberty Valance,” know that when there is conflict between truth and legend, the truth will shatter the legend that’s shaped inside the dome.

### Relevant Addendum

Of incidental interest, as the media follow and create the JPMorgan story, these quotes are from today’s (May 18, 2012) *Wall Street Journal*:

“...the stakes are high. Mr. Dimon personally approved the concept behind the disastrous trades...but he didn’t monitor how they were executed...”

“Mr. Dimon told his group: ‘We’re in a major storm...we’ve got to...come clean’.”

“He immediately set up a war room on the (top) floor of...headquarters.”

“returned to his office, jotting down...‘self-inflicted losses’...meeting with executives in his personal conference room, they staged a mock conference call with investors, which would take place later in the afternoon...”

“At the April 9 operating committee meeting...Ms. Drew said ‘We can ride through this...It’s blown out of proportion...’.”

(On May 14) “Ms. Drew apologized...Mr. Dimon gave her a bear hug on the way out...”

“at the annual meeting...he criticized the cost and complexity of added regulation...”

“had planned a series of monthly business reviews with all department heads, which typically run as long as three hours each...(some) chiefs have urged Mr. Dimon to delay the meetings, given the crisis. They say he has refused, responding, ‘I don't want to take my eye off the ball’.”

### CCO ROLE IN TRANSFORMATION INNOVATION?

April 21, 2012

If the CEO needs the entire company to get behind an idea with major money bet on it, whose help does he or she need? Hello, CCO!

The topic is transformational innovation — basically, a tough, serious commitment by corporate leadership to products and service that customers are not yet demanding.

Few executives place big bets on innovation transformation, according to *Harvard Business Review* authors in the May 2012 issue. Companies studied show only about 10% of company “innovation” budgeting is in not-yet-demanded innovation, a 20% ventured on carefully chosen “adjacent” business opportunity, and a dominant 70% slid into safe changes in core business.

CEOs are edgy about the potential of transformational innovation primarily because of the hard truth that to do different things means a company has to do things differently, say the HBR authors.

While the role of corporate communication is not called out in the HBR article, it's a no-brainer easily inferred from the companies — IBM, P&G, Samsung, Merck and GE — cited by authors Bansi Nagji and Geoff Tuff as having strategized successful corporate innovations that transformed the course of new and sustainable business.

Realizing the potential of high-yield, long-term transformational innovation requires getting everyone on board with top management's belief in the prospect of payoff in uncharted territory, of investing what's known in the discovery, the benefits of future success.

“Managers should agree on an appropriate ambition level for innovation and find common language to describe it,” the authors note, and “leaders must communicate clearly and relentlessly about innovation goals and processes.”

While CCOs are not among the curious list of those cited as having skills particularly influential in transforming innovation (“designers, cultural anthropologists, scenario planners, and analysts who are comfortable with ambiguous data”), if the company needs a culture of doing things differently, with stakeholder support to CEO vision in bold new areas, who you gonna call?

## READY FOR THIS? IS IT REAL — OR IS IT P.R.?

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March 13, 2012

“I’ve always seen that more as P.R. than reality.”

Well, there you go again, business news reporter?

Here’s a story that made the banner position at the top of the *New York Times* business page quoting an investor’s view of Pepsico CEO Indra Nooyi’s management appointments, as a smart move away from the company’s “nutritional products” message.

The investor, Donald Yackman indicated that he never liked Ms. Nooyi’s conviction that the company’s future is tied to health and sustainability. He likened it to “the tail wagging the dog.”

So, while efforts in the professional communications community to define and redefine “public relations” seem eternal (a notable, professional inside-crowd-sourcing effort now under way within PRSA), the dissing endures.

My personal pang is doubled. Every time we in the chemical industry years ago made any progress in explaining visionary efforts to go green, our wave of public-opinion analysts poured on the kind of cold water Mr. Yackman dumped on Pepsico’s vision as unreal P.R. They called me greenwasher. Pang.

The other half of my pang is I was, and in my heart of heart remain, a journalist. So I know how hard it is to re-

sist pushing a pungent quote into the lede. *It worked! The copy desk bought it! A byline under the banner!*

So, well, there they — antagonists and journalists — go again.

What are you gonna do? So, tell me, what do you, fellow P.R. — I mean, communications — pros? Curse the journalist? Say we bring it on ourselves? Say, one day, they will see? And, today, explain it to the boss or client? Proceed, Panglossian?

## WHAT DO CEOs ADMIRE? JEFFREY IMMELT, GE, ON CSR AND ECOMAGINATION

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March 1, 2012

In the March 1, 2012, online takeouts from *Fortune* magazine’s annual “most admired” issue, here is Jeffrey Immelt, CEO of GE, on CSR and the company’s Ecomagination program:

*Q: In the wake of the Citizens United decision, with the Supreme Court suggesting that corporations are people, what kind of person do you want your company to be?*

A: I think we’ve always been a good and generous company when it’s come to corporate social responsibility around education and things like that. But personally, I think one of the things that this cycle is proving is that without competitiveness, nothing else really matters. I think in the end, GE is a competitive company, and in the

end that might be the best source of CSR. It doesn't matter how much you're giving; if you're not able to create jobs, it's tough to be a good citizen today. And that's not a bad perspective to have.

*Havas CEO David Jones, in his book, Who Cares Wins, credits GE's Ecomagination program as a beacon of good CSR..*

You know, the essence of Ecomagination was that competitiveness and innovation are at the heart, and it's not really CSR-driven. It's more about innovation, and I think the more we can think about it that way, there are less trade-offs and more positive thinking.

*So it sounds like Ecomagination's reputation as a responsible, admirable program is just a happy side effect.*

That's exactly right.

### WHAT DO CEOs ADMIRE?

#### URSULA BURNS, CEO, XEROX, ON BEING A GOOD CORPORATE CITIZEN

March 1, 2012

In *Fortune* magazine's March 1, 2012 online take-outs from its annual "most admired" issue, Ursula Burns answered several questions, including this one about CSR and reputation:

*Do philanthropic and social responsibility initiatives really help burnish a company's reputation among customers and partners? What company stands out as a role model?*

Ms. Burns reply:

Can I pat Xerox on the back for this one? In our industry, we stand out as the company that has long acted on the belief that doing good is good business. I inherited this value system and it continues to be one of the points of pride for our people and very much for me. I certainly spend a lot of time and dedicate a fair share of resources to understanding the greater good our company is doing for our society.

And I do business with my heart as much as I do with my head, both personally and professionally. Frankly, those companies that dismiss citizenship as a necessary evil don't get my time, attention, or business — unless they're looking to benchmark us as an example of decades-long, values-based leadership.

Procter & Gamble (PG) gets it. And, I really respect their purpose-driven approach to running their business. It permeates their entire operation. For example, we recently worked with P&G (No. 9) to manage their global fleet of printers, multifunction systems, etc. We saved them a lot of money, but P&G was just as focused on reducing their own carbon footprint — and gave us clear marching orders on the need to digitize their business. But they were also quite collaborative in the approach. Eight million fewer pages later and a 30% energy reduction really prove the business case of social responsibility.

I'm less concerned about whether being a good corporate citizen burnishes a company's reputation. That's just an added benefit. I believe it's a responsibility, and there is no negotiating on responsibilities.

### WHAT DO CEOs ADMIRE?

#### JOHN DONAHOE, CEO, eBAY, ON SUSTAINABLE PERFORMANCE AND SOCIAL ACCOUNTABILITY

March 1, 2012

How do leaders communicate on sustainable business and social responsibility? Here are two of the questions and answers that John Donahoe, CEO of eBay, handled in the March 1, 2012 version of the 2012 "most admired" issue of Fortune magazine:

*Q. Which company (or companies) do you most admire, and why?*

A. I admire companies that successfully make the transition from "hot" to great, enduring businesses. While I won't single out one, enduring companies understand how to face adversity, which is inevitable in any business, and emerge stronger, more focused and more competitive. And they do it each time adversity hits. Almost every company has hot moments. But only great companies achieve strong, sustainable performance over time. While it's fun to be hot, it's far more gratifying to create an enduring, sustainable business.

*Q. Do philanthropic and social responsibility initiatives really help burnish a company's reputation among customers and partners?*

A. We believe strongly that social responsibility is an important part of a company's character and reputation. Consumers, employees and stakeholders pay attention to a company's values, actions and behaviors. But it's not just about reputation. We believe social responsibility and social innovation can create business value and drive customer, employee and stakeholder engagement. Ultimately, your reputation is not what you say, but what you do. And people expect companies to be leaders in this area.

### CAN YOU TALK YOUR BOSS OUT OF PRE-CRISIS DECISION?

February 13, 2012

Can consultants to leaders, including chief communication officers engaging with CEOs, keep bosses from creating crises?

Sometimes, sure. Corporate communicators with earned respect for protecting the chief's plans, programs and reputation can steer him or her away from decisions that won't hold up under the backfire of stakeholders.

Talking truth to power and proving it with evidence is part of the CCO's job.

Providing proof points — stakeholder perceptions, prevailing contexts including moods and emotions and especially timing — enables reception and influence.

You don't hear much about crises averted, of course. Nor do you hear much about respected counselors whose insights are rebutted by other insiders, resulting in decisions and leadership communication that fail to drive followership and advocacy.

So it's interesting to learn what happened behind the Oval Office curtain when trusted counselors talked truth and trotted out proof points for President Obama as he got ready for his public announcement on the health-care law mandate to provide contraceptives.

Bloomberg reported that Chief of Staff Bill Daley, with agreement from Vice President Biden, told the President that HHS's mandate on contraceptives could be political trouble.

The protective counselors "warned that the mandate would be seen as a government intrusion on religious institutions" alienating even moderate Catholic voters in battleground states.

Bloomberg's journalists said Obama ended "months of internal White House debate by siding with a group of mostly female advisers who urged him not to limit a health-care law mandate to provide contraceptives?"

You know the story.

After a blow-back of public, political and religious opinion, White House counselors (no longer including Daley, who had departed for other interests) understood that the decision communicated wasn't sustainable. Crisis damage control was necessary. The President's walk-back, his follow-up communication on an "accommodation" came soon.

Point for CCOs? Confirmation of what they know:

Communication pros who consistently plug into stakeholder perceptions, who are able to define contexts, content and tones that make or break communicated positions can and on occasion certainly need to persuasively "prebut" executive rebuttal in pre-critical time frames.

Story-telling is a good way to make a point. You may want to put in your file the story of POTUS and Daley.

### RISK PERCEPTION: COMMUNICATOR'S ROLE?

February 2, 2012

Who is neglected in this article from *Industry Week* about 'risk champions' in the C-suite?

Roots of risk are exposed as perceptions in the stakeholder communities.

They appear as conversations, posted comments, competitive communication.

They may be misinformed or miscreant but the effect is to raise doubt (or, in the extreme, red warning flags)

about company financial health, employee and customer trust and follower advocacy.

Is there not a vital C-suite role for chief corporate communicators, who keep a finger on the pulse of stakeholders, sensing their perceptions?

Are we, the connectors to followers and advocates, not minding the potting soil for risk?

Who else is more aware that the risk endgame is disruptive crisis?

### **BP CRISIS 2010: UPDATE 2012, “BP MAKES AMENDS”**

January 10, 2012

A halo headline in the *New York Times* for an oil company is not something you expect to see very often. It is especially rare for a company blamed, condemned, excoriated and sued for its role in a disaster that inflicts severe damage, death, economic and environmental pain and suffering. That’s what makes the op-ed, entitled *BP Makes Amends*, important reading in analyzing the 2010 crisis centering on BP’s role in the Deepwater Horizon accident and Gulf Coast oil spill.

The climax of the crisis itself was stopping the underwater leakage of oil into the water. The dirty bubbling — available for view on any person’s computer, continuously, day and night for weeks on end — reminded the world,

stakeholders and critics, of BP’s culpability. When the bubbles turned clear, the crisis condition changed from cause to effect. The climax aftermath question put to the oil company, and its associates in the Gulf, such as Deepwater Horizon, was no longer “when will you stop the damage?”

The longer running questions were about repairing and restoring and compensating for loss. People, critics, government and lawyers — back to that shortly, since that’s the nub on the Nocera column — were pressing BP, especially BP, which had the high profile and the deep pockets in this crisis, for answers to highly complex question. How would BP prevent further harm to fish and wildlife, how would they address the human impact, the loss of jobs, revenue and good-will of people who rely on the Gulf, its waters and its shores for their income and well-being? How would BP make amends?

Nocera, a veteran writer on business who graduated from the *Times’* business section to the editorial section a year or so ago, delves into the back story: the resistance of trial lawyers to what is basically an orderly, widely approved process that involves BP spending many billions of dollars in compensating people and businesses whose claims of damage have been considered and qualified.

Read this commentary to understand the ramifications of this particular, highly significant and still current crisis case. And think through the corporate communication challenge. Start with the chief communication offi-

cer's handy opening question — what's it all about? (who, what, when, where, how?) — and consider how this company is handling its response to the crisis in this post-climax phase, and how this piece by Nocera factors in. What is the reaction in the ongoing, open, worldwide and unfettered social conversation in the highly interactive media?