

CEO ACTIVISM: INSIDE COMMS & MARKETING



Introduction

Increasingly, CEOs are speaking out publicly and taking stands on controversial issues. CEOs now have a track record of speaking up about social, political and environmental issues, such as climate change, gender pay equity, same-sex marriage, immigration, gun control and discrimination.

After tracking the American public's perspectives on CEO activism since 2016, we decided to sample communications and marketing executives in the US, UK and China to understand how companies perceive their own CEOs' activism and what companies are doing to prepare to respond to hot-button societal issues.

CEO Activism: Inside Comms & Marketing is the third report issued in the 2018 annual CEO activism poll conducted by Weber Shandwick in partnership with KRC Research. *CEO Activism in 2018: The Purposeful CEO* focused on American consumer opinions about CEO activism, and *CEO Activism in 2018: The Tech Effect* focused on the perspectives of technology professionals in seven global markets.





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As expectations grow for business leaders to speak out on political and social issues, companies must anticipate which issues affect their businesses and challenge their values, and be prepared to address them. Our latest study among those responsible for corporate communications and marketing provides an inside look at how companies are faring in an era where CEO activism is quickly becoming the new norm and earning competitive reputational advantage.

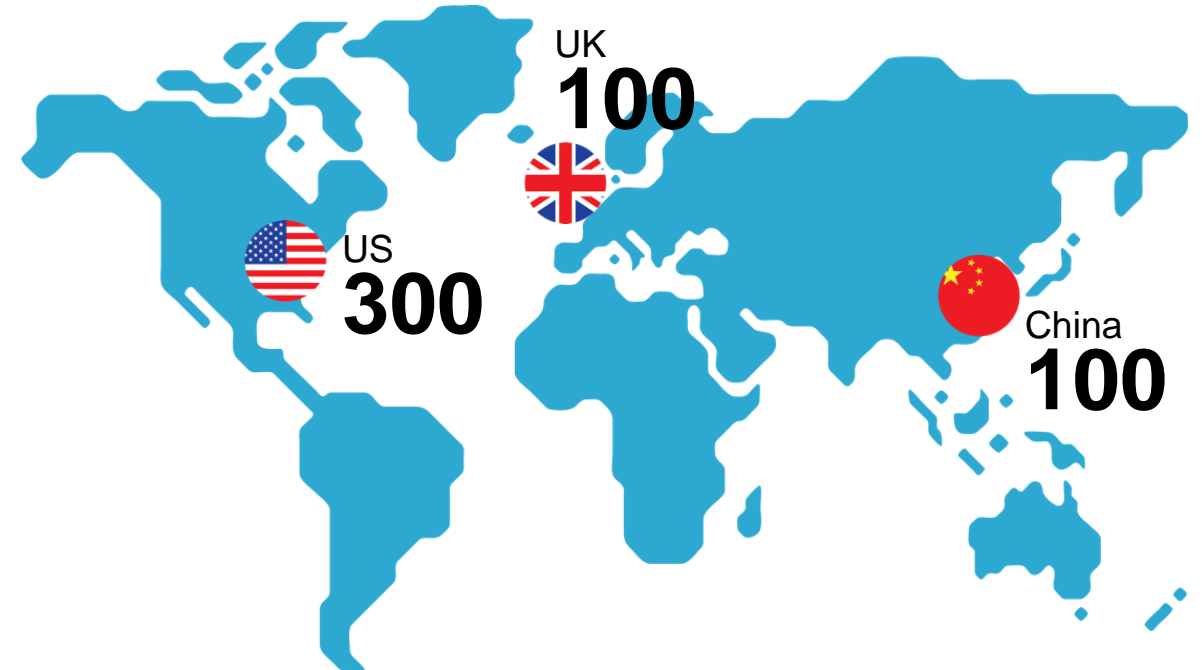
**Andy Polansky, CEO
Weber Shandwick**

What we did

Weber Shandwick partnered with KRC Research in May 2018 to conduct an online survey of 500 communications and marketing professionals in the US (n=300), UK (n=100) and China (n=100). These executives work in a variety of industries and titles range from manager to chief communications officer and chief marketing officer.

The survey describes CEO activism to respondents as follows: “In the past year or so, some chief executive officers (CEOs, or top leaders of companies) have spoken out publicly and taken a stand on controversial issues. For example, CEOs have spoken up about social, political and environmental issues such as climate change, income fairness, same-sex marriage, immigration, gun control and discrimination.”

In many cases, Chinese respondents rated statements more highly than those in the US and UK. According to our colleagues in China, Chinese respondents likely responded honestly to the survey, but with the ideal CEO in mind, not what they experience in reality. Their perspective may reflect what they want their companies and CEOs to be doing with respect to CEO activism.



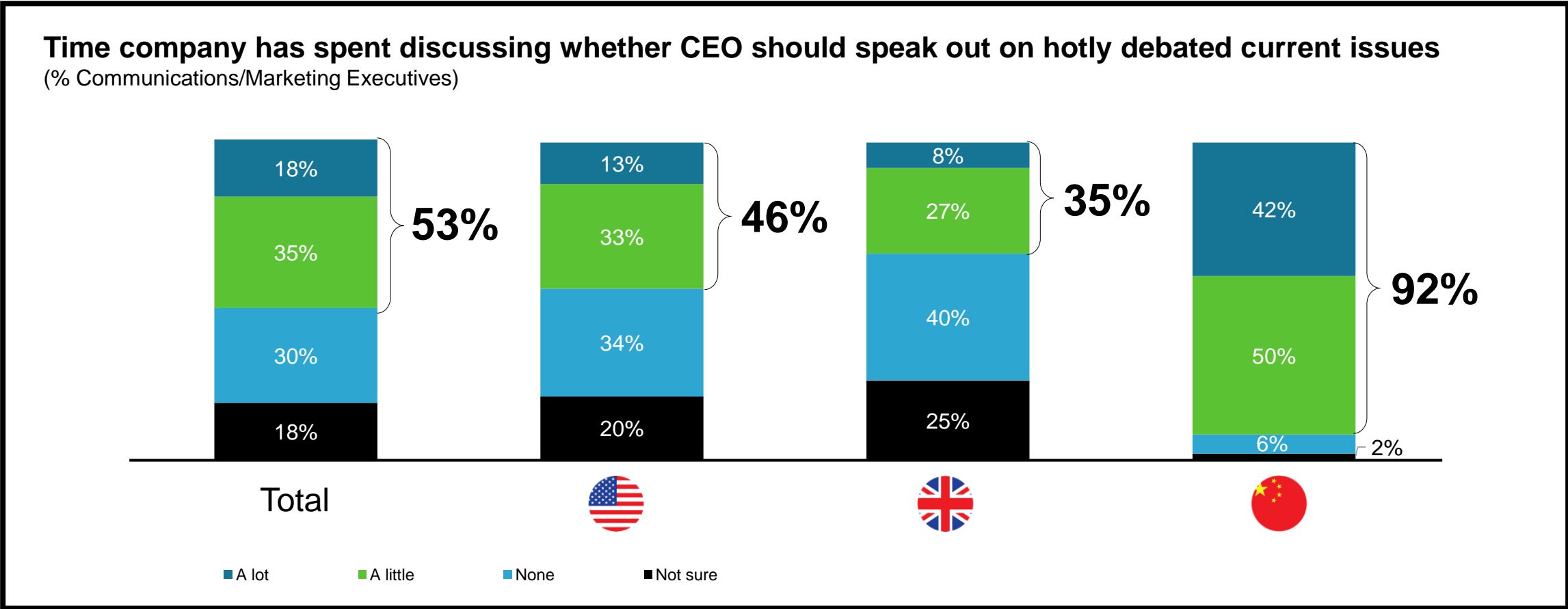
What we learned



Companies are dedicating more time to CEO activism.



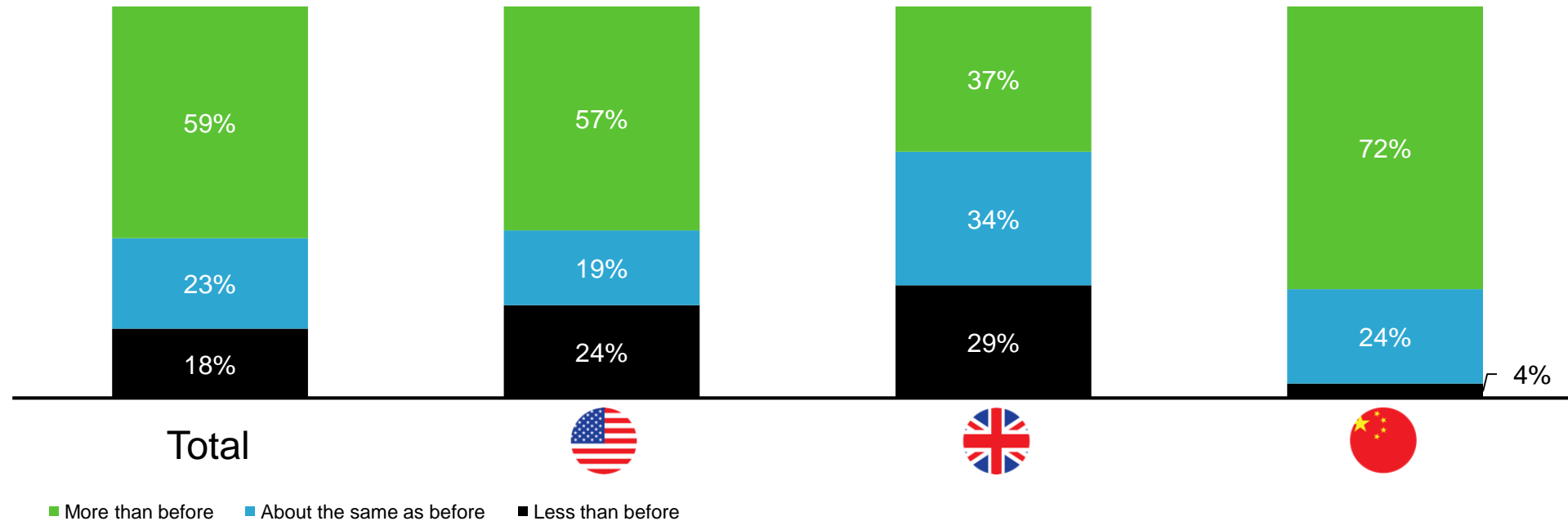
More than half of communications and marketing executives (53%) report their companies spend time discussing whether their CEO should speak out on hotly debated current issues.



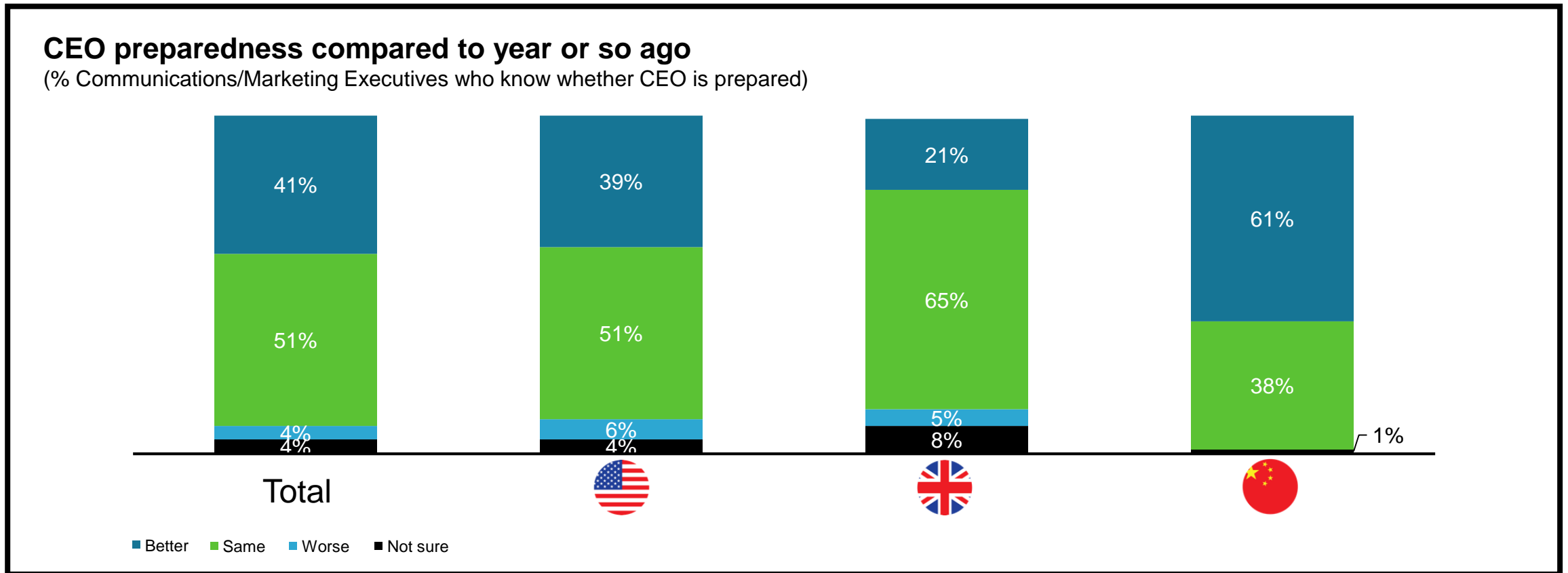
59% of those whose companies spend any time discussing CEO activism report an increase in dedicated time over the past few years.

Change in time spent discussing whether CEO should speak out

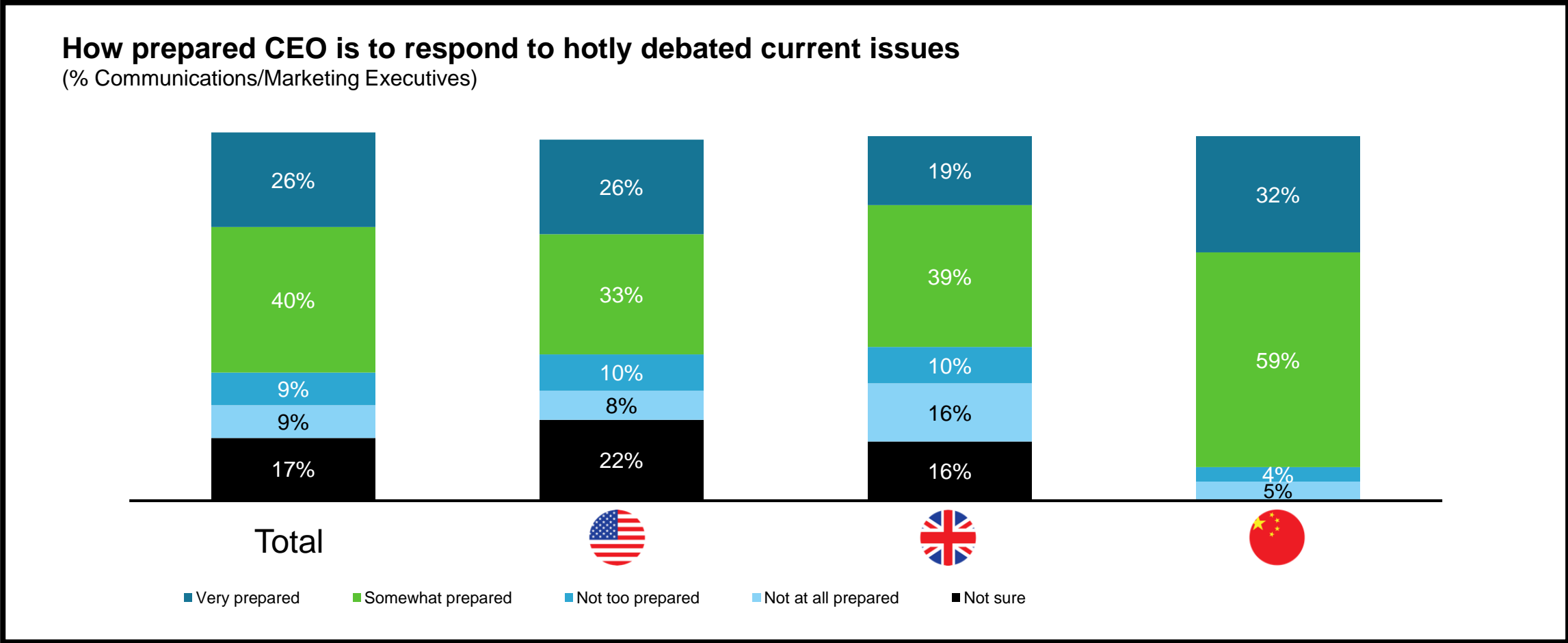
(% Communications/Marketing Executives whose company has spent any time discussing whether CEO should speak out)



Four in 10 communications and marketing executives (41%) say their CEO is better prepared to respond to issues compared to one year ago.



26% of communications and marketing executives say their CEO is “very prepared” to respond to issues. Another 40% report their CEO is somewhat prepared.

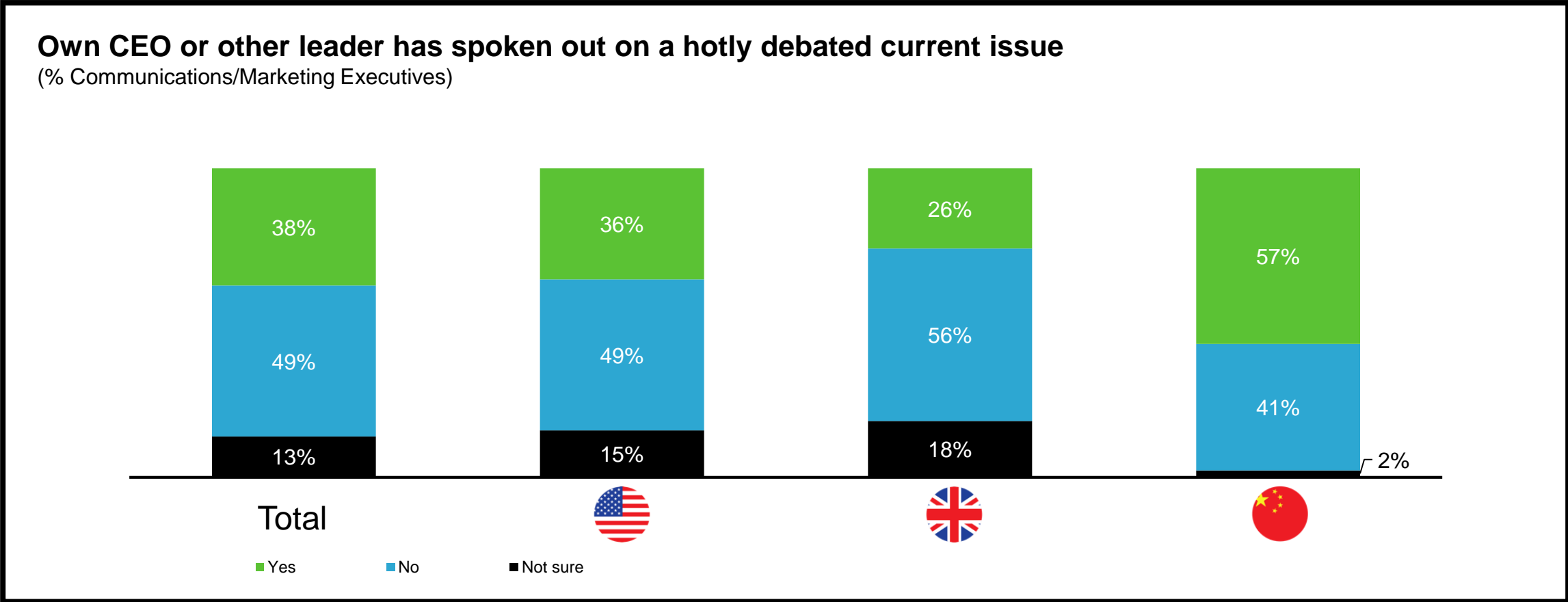


Communications and marketing executives are favorable of their own CEOs speaking out on issues.

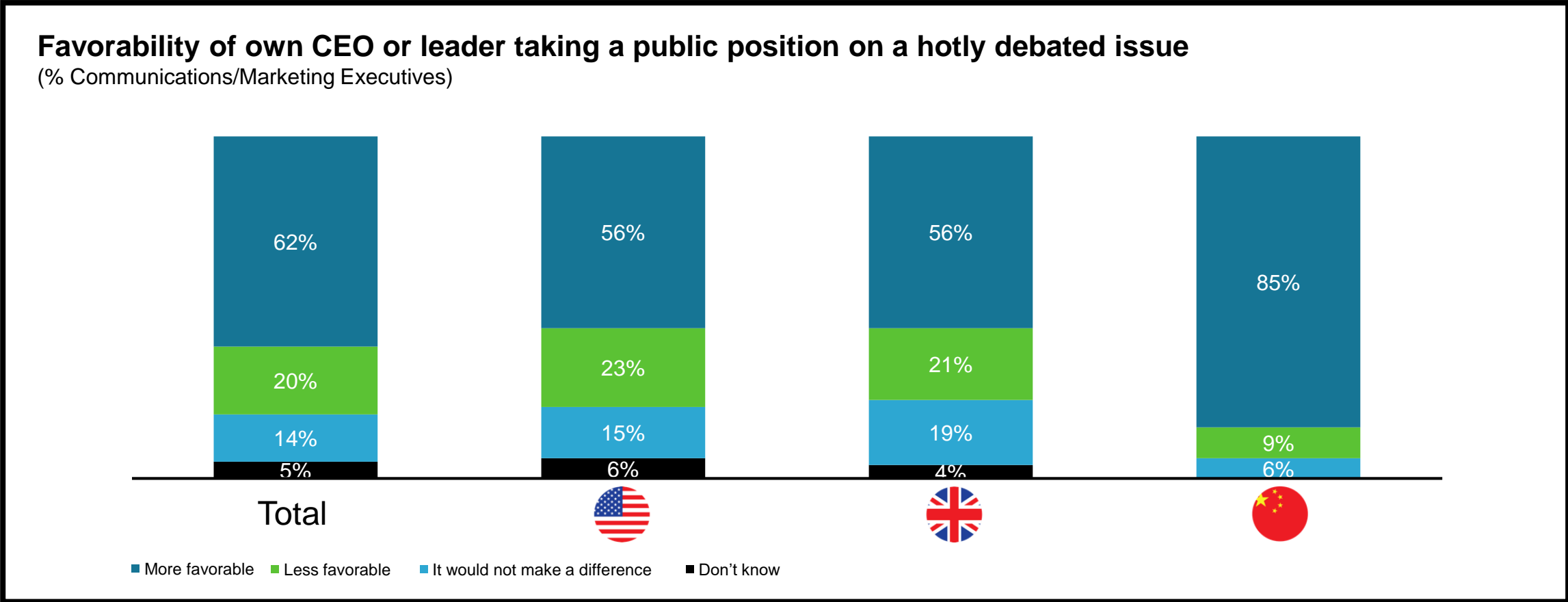
Favorability rises with experience with CEO activism.



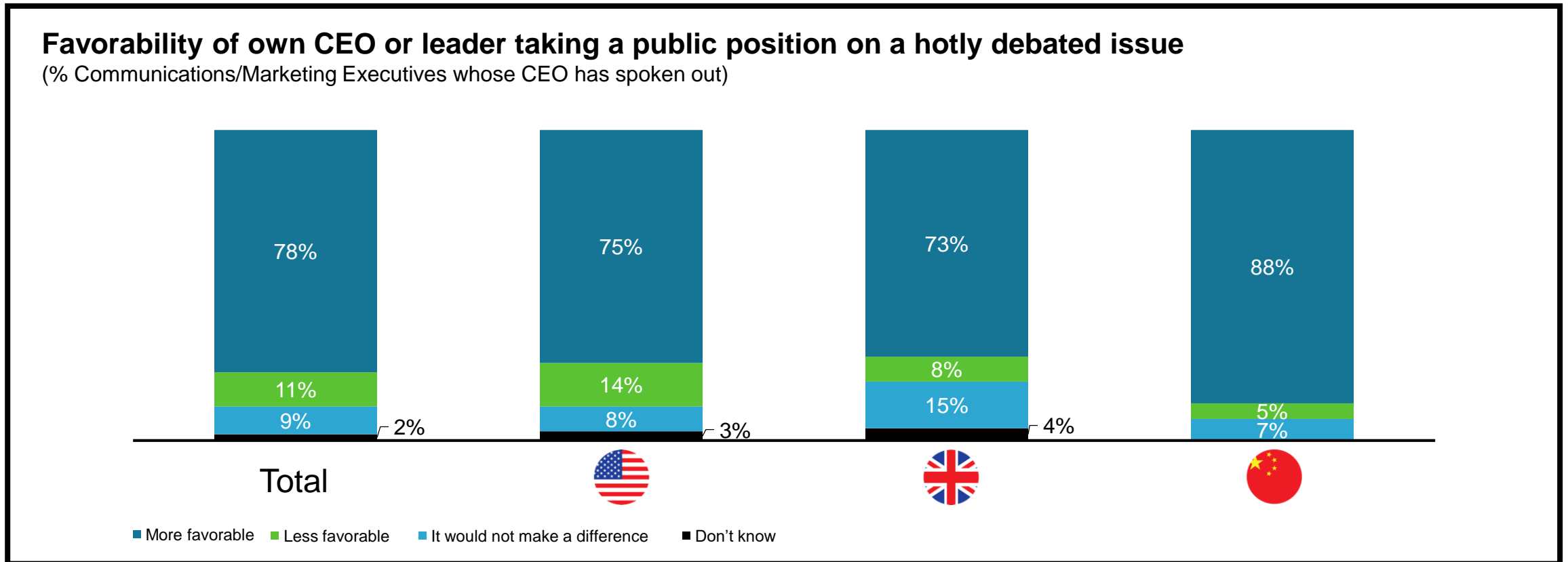
Nearly four in 10 communications and marketing executives (38%) say their own CEO is an activist.



62% of communications and marketing executives are favorable of their own CEO taking a public position on issues.



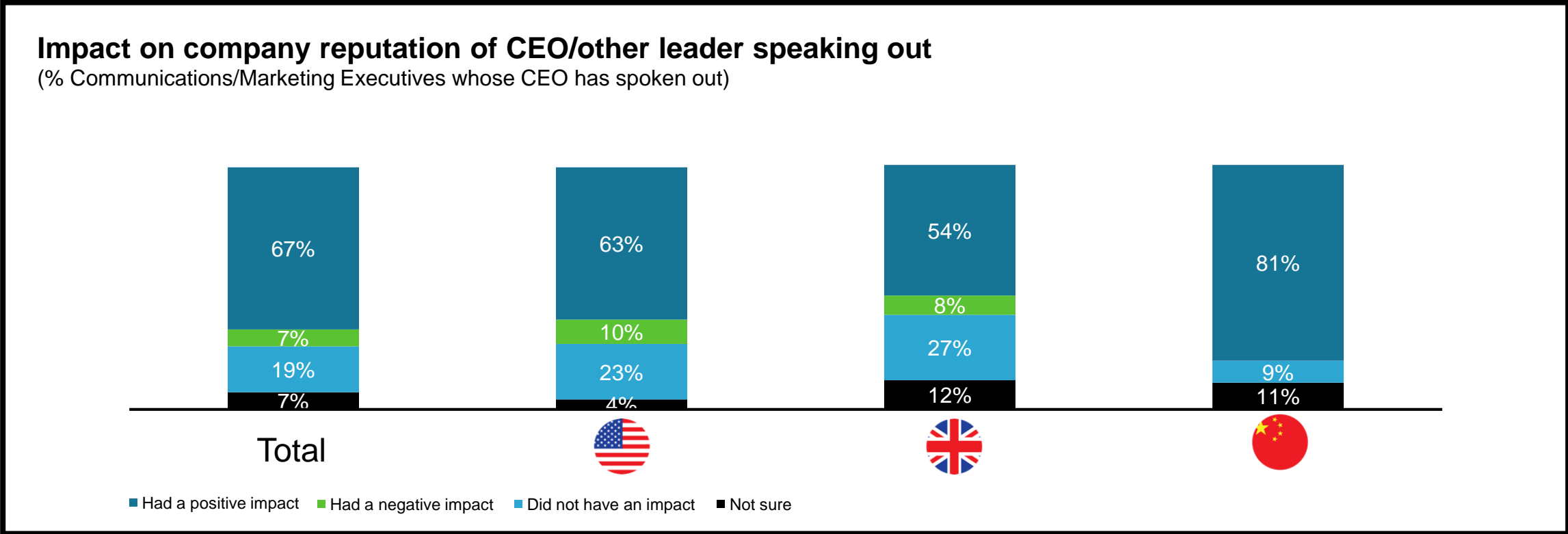
Favorability is even stronger among those whose CEO has spoken out. 78% of communications and marketing executives with an activist CEO are favorable.



**CEO activism can have
a positive, long-term
impact on corporate
reputation.**



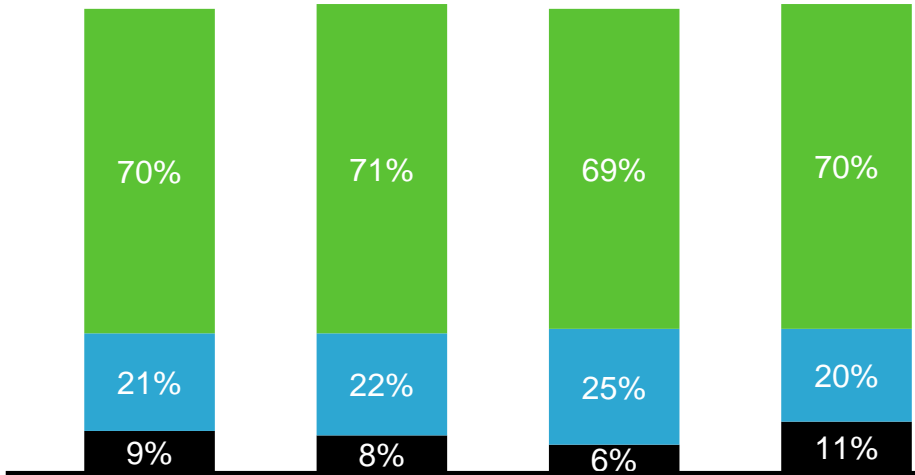
67% of communications and marketing executives whose CEO has spoken out say the activism had a positive impact on their company reputation.



70% of communications and marketing executives whose CEO activism had a reputational impact, positive or negative, say the impact was long-term.

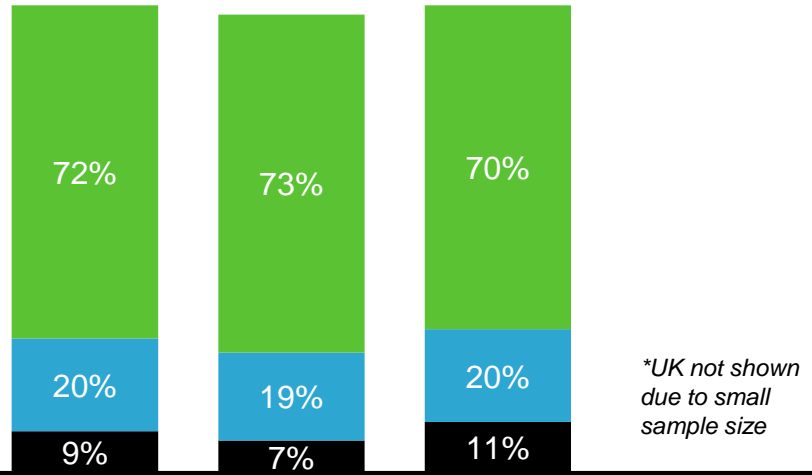
Length of impact of CEO or other leader speaking out on hotly debated current issues

(% Communications/Marketing Executives whose CEO's activism had a reputational impact)



Length of impact of CEO or other leader speaking out on hotly debated current issues

(% Communications/Marketing Executives whose CEO's activism had a POSITIVE reputational impact*)

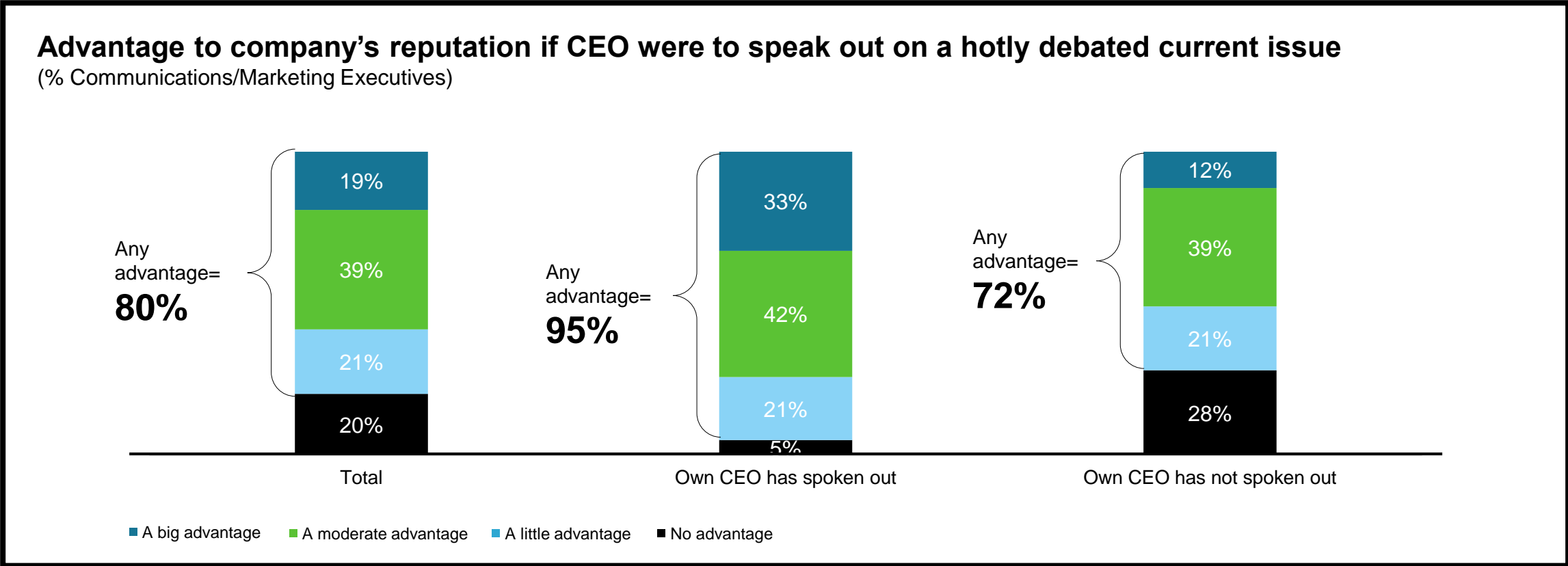


*UK not shown due to small sample size

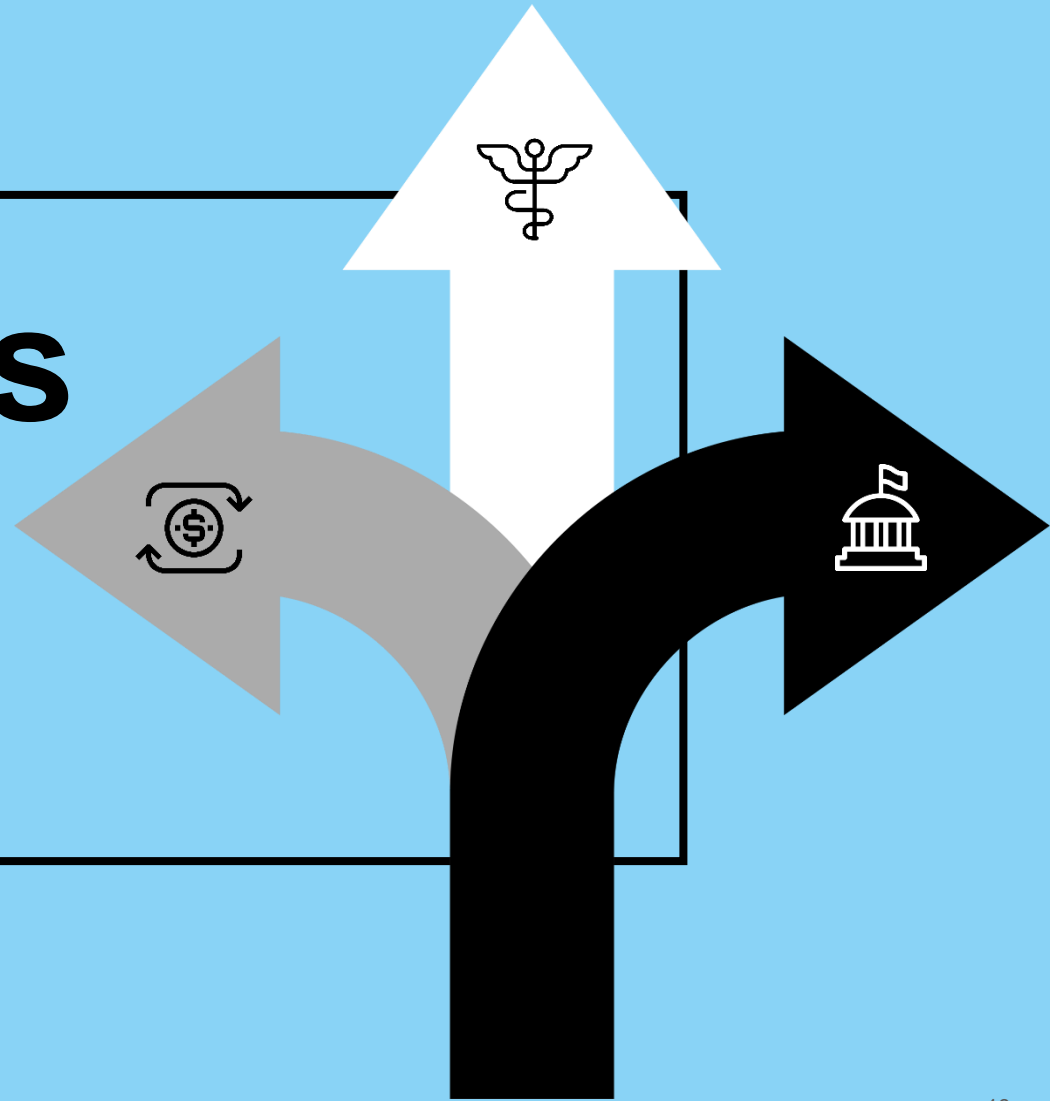
■ Long-term ■ Short-term ■ Not sure

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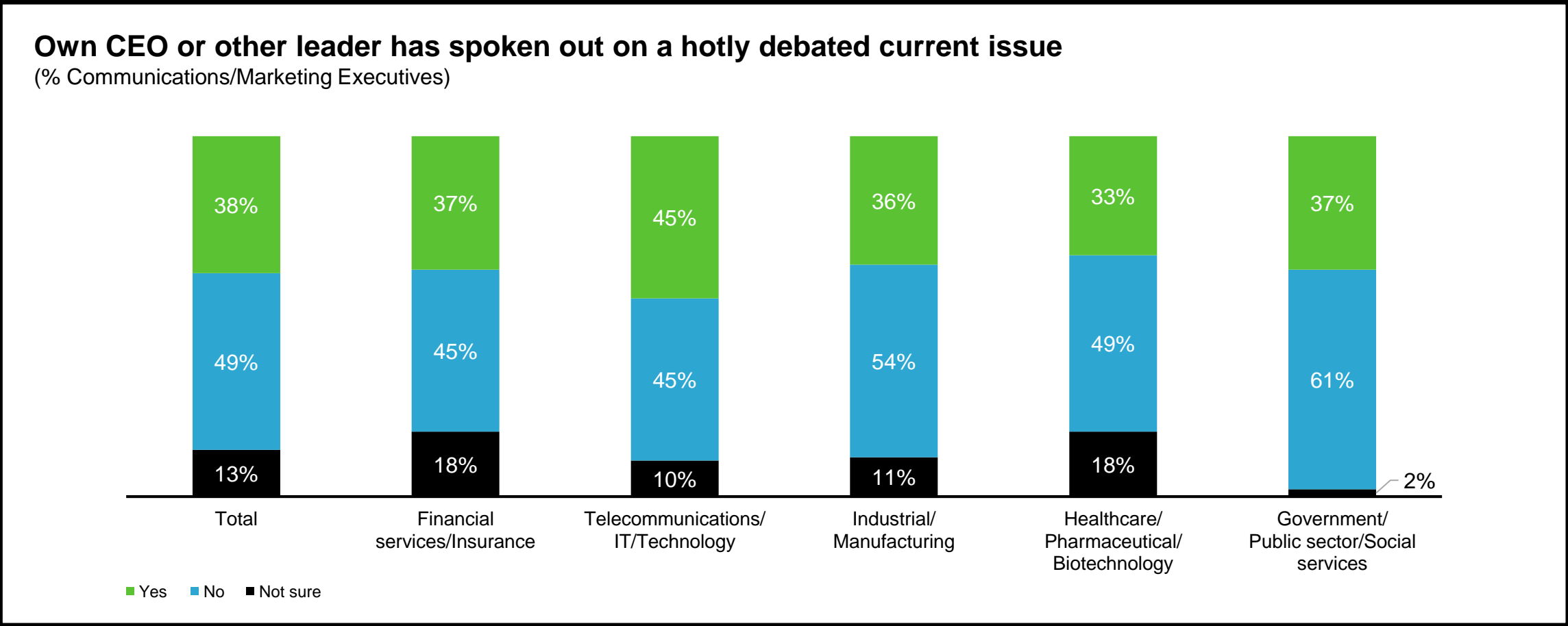
The majority of communications and marketing executives (80%) perceive some advantage to company reputation if the CEO were to speak out. One in five (19%) perceive a big advantage.



**Key differences
exist across
sectors**

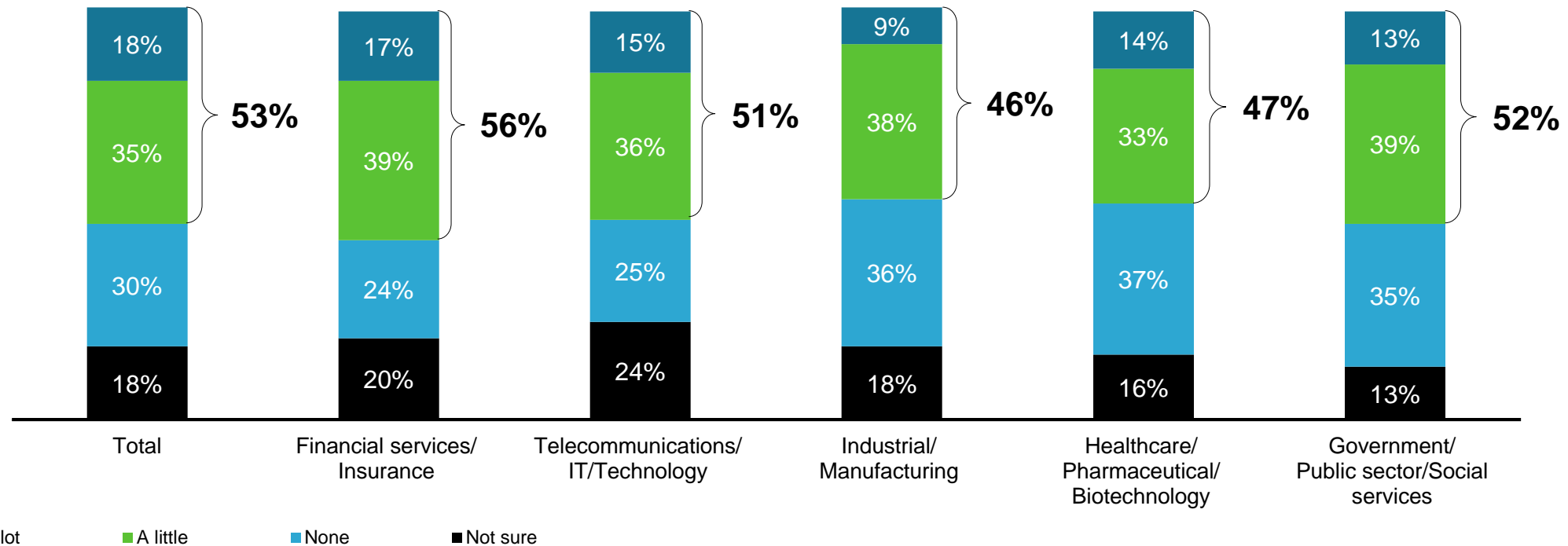


CEOs are most vocal in the Telecommunications/IT/Tech Industry, with 45% of communications and marketing executives reporting their CEO has spoken out.

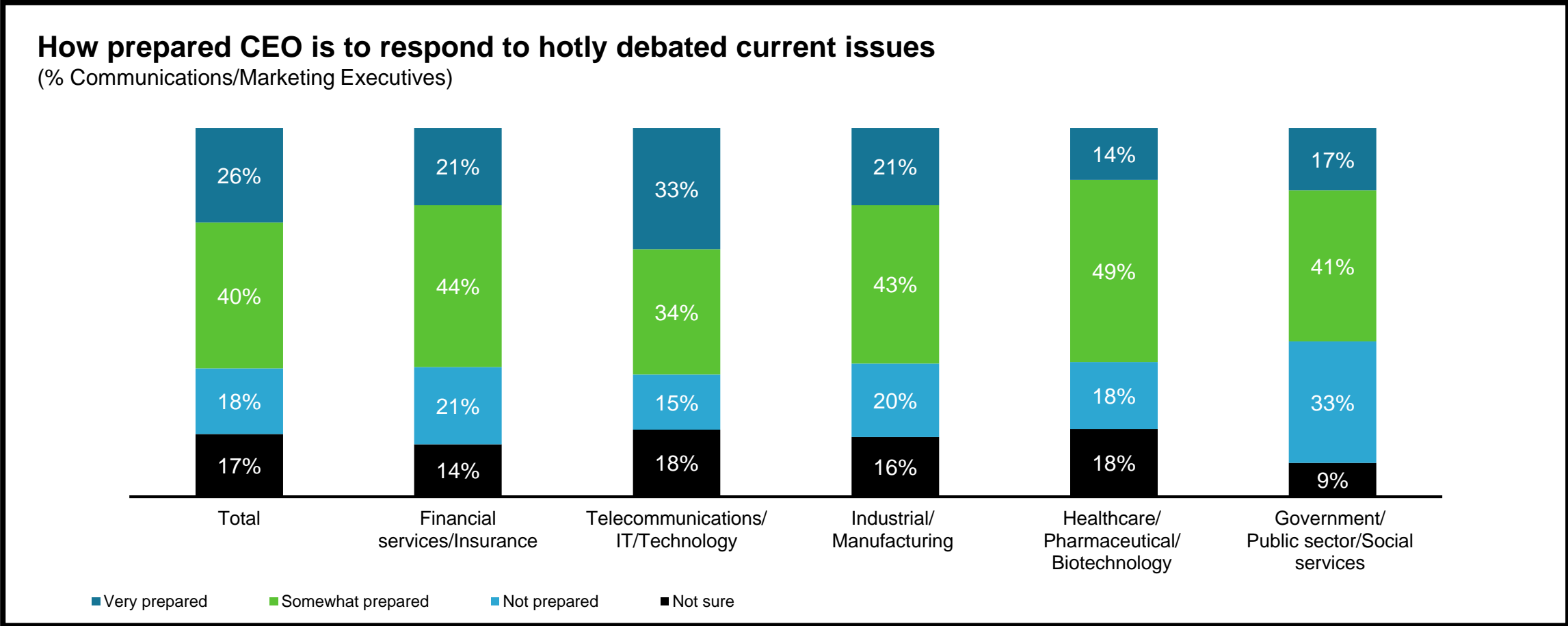


Communications and marketing executives in financial services and insurance are most likely to say their company spends time discussing whether the CEO should speak out (56%).

Time company has spent discussing whether CEO should speak out on hotly debated current issues
 (% Communications/Marketing Executives)

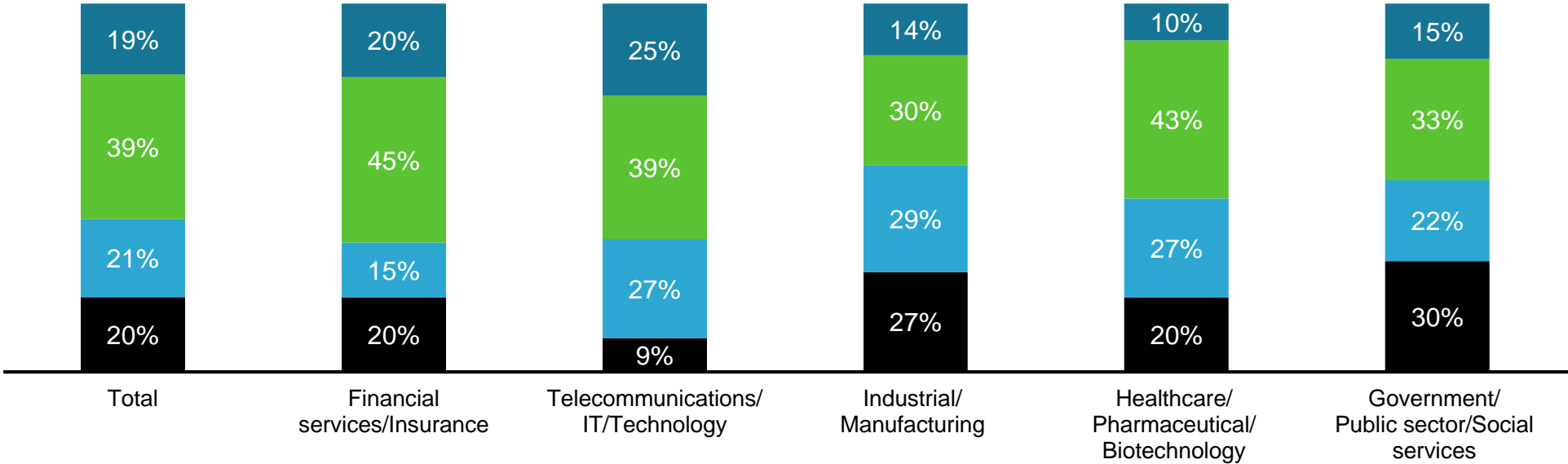


Communications and marketing executives in Telecommunications/IT/Technology are most likely to report their CEO is very prepared to respond to issues (33%).



Communications and Marketing executives in Telecommunications/IT/Technology perceive the largest advantage of company reputation, with 25% reporting their company would have a big advantage if the CEO spoke out.

Advantage to company's reputation of CEO were to speak out on a hotly debated current issue
 (% Communications/Marketing Executives)



■ A big advantage ■ A moderate advantage ■ A little advantage ■ No advantage

What organizations should do to prepare their CEOs to respond to issues.

In communications and marketing executives' own words...



“Get all the facts by doing research. There is nothing worse than an ill-informed person debating about something they know nothing about.”

“They should keep up to date on current events and should be able to address anything that has to do with the company.”

“Determine whether the issue has an impact on the operation of the company or the welfare of the company's employees.”

“Organizations should already have plans in place of hot topics and have prepared statements/answers ready to go when/if the organization is faced with an issue.”

“Interact with HR and Community Relations to ensure the message is coherent and consistent with the company's values.”



“Make sure they have their facts 100% right.”

“Ensure they have all the facts and board approval.”

“Understand and advise on the consequences of the proposed response so that valid and informed input can be made. Ensure that research and advice to CEO is objective and not just what he or she wants to hear.”

“Invest in research and media training. Back them up with the full story.”

“They should help the CEO make sure those values are showing in their own organization. Nothing worse than a CEO taking a position that they're not willing to do in their own company.”



“Encourage them to talk about the issues/hot topics.”

“Actively collect opinions from employees on the current heated debates, speak on behalf of employees and the board of directors, and actively emphasize the value orientation of the company itself.”

“Actively understand the background of hot issues, be prepared, and be prepared for some wording to prevent being taken out of context.”

“Understand the legal provisions, understand the current government policies, and conduct public opinion surveys.”

“At the grassroots level, ask the opinions of ordinary employees.”

A guide to CEO activism through a communications and marketing lens



Shape your response around employee expectations and company values. Companies need to be firmly tapped into the pulse of employee sentiment on societal issues before they make a move that may not be in line with employee attitudes and expectations.

Start talking about activism internally, if you have not already. Vet now. Publicly responding to hot-button issues may not be the right decision for every company all the time, but it's something that warrants discussion. Weigh the pros and cons of having a CEO speak out on a particular issue. With companies increasing the amount of time spent discussing this dynamic, other companies are at a competitive disadvantage if they leave CEO activism off the table entirely.

Recognize the reputational advantage. Communications and marketing executives acknowledge there are risks associated with CEO activism, but for the majority of those whose CEOs have taken a stance on an issue, the reputational advantages were strong. Be aware that the perceived risk of activism declines among those whose CEO has spoken out and consider how your company might benefit from the CEO expressing a public opinion, particularly if aligned with the company's corporate values and principles.

Make sure the CEO and other top leaders know which issues they need to prepare for. Companies need to be prepared to respond to issues whether they preemptively decide to speak out or not. We have witnessed the media as well as consumer groups asking companies for the leaders' stances on particular issues, and a "no comment" can be easily open for misinterpretation from a company's point of view. Organizations should have a plan in place in the event stakeholders demand a perspective.

Understand that the wide reach of CEO activism is not just limited to the US. While much of the public focus on CEO activism revolves around emerging issues in the US, companies around the world are faced with deciding whether their leaders should respond. Our research shows that there is increased planning and preparation in China and the UK, in addition to the US.

Thank you

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