

Reputation and the bottom line.

Engagement, stakeholder primacy, and the rise of the Chief Communications Officer.

Brand and reputation are now inextricably linked to overall performance. As stewards of these critical business metrics – once considered “nice-to-have” – communication leaders are more empowered than ever to provide strategic impact and value by managing relationships with and improving perceptions across key stakeholder groups.

Recent research by United Minds and its partners demonstrates the growing strategic value of the communications function, as well as areas of focus for its leaders to continue to positively impact business results.

Our research shows ...

1

As expectations of businesses and leaders grow, so too do opportunities for communicators.

2

Communications leaders recognize the rapidly increasing importance of reputation to achieving business goals.

3

Over the next five years, communications leaders believe reputation will become even more critical to business success.

4

Communications leaders (generally) understand what stakeholders consider most important in next five years.

5

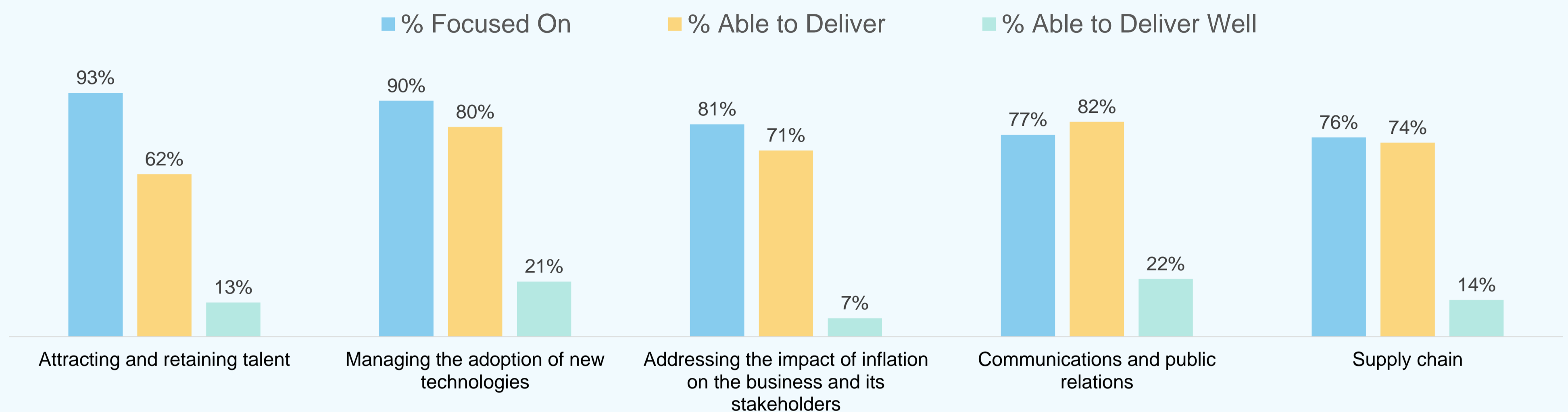
When it comes to engaging around societal issues especially, communications leaders are more attuned to stakeholder expectations than other executives.

... the time is now to ensure this important function is central to future business strategy.

1. As expectations of businesses and leaders grow, so too do opportunities for communicators.

C-suite leaders list communications and public relations as an explicit top-5 focus area for the company (and an implicit factor in all top-5 focus areas); few are currently delivering well against these priorities.

Focus areas for the company



Questions: How much of a focus area are each of the following for your company? Are you / is your company currently delivering on its goals in each of the following areas?

Similarly, a majority of leaders do not believe that either they or their company is equipped to lead on societal issues and are only somewhat equipped to lead on business issues.

Ability to lead on issues

% Feel <u>personally</u> equipped to lead on issues			Total	% Feel <u>company</u> is equipped to lead on issues			Total
	Very equipped	Somewhat equipped			Very equipped	Somewhat equipped	
Protecting my company's reputation	57%	37%	94%	Protecting my company's reputation	48%	39%	87%
Ensuring the well-being of my company's employees	61%	31%	92%	Ensuring the well-being of my company's employees	43%	39%	82%
The quality of my company's products and services	64%	28%	92%	The quality of my company's products and services	58%	34%	92%
Increasing shareholder value	56%	32%	88%	Increasing shareholder value	44%	48%	92%
The ethical and transparent conduct of the company	58%	28%	86%	The ethical and transparent conduct of the company	48%	40%	88%
Addressing social inequalities	13%	41%	54%	Addressing social inequalities	15%	27%	42%
Publicly engaging on domestic political and social issues	14%	35%	49%	Publicly engaging on domestic political and social issues	14%	30%	44%
Publicly engaging on geopolitical issues	13%	34%	47%	Publicly engaging on geopolitical issues	12%	28%	40%
Addressing climate change	17%	28%	45%	Addressing climate change	16%	24%	39%

Questions: Overall, how equipped do you personally feel to lead on the following in your current role? Overall, how equipped do you feel your company is to lead on the following?

The good news? Leaders think that they and the company are delivering against important priorities somewhat well. However, few believe that they are delivering very well, creating opportunity for communications leaders to step up. **And they are ready.**

2. Communications leaders – like other executives – recognize the rapidly increasing importance of reputation to achieving business goals.

Communications leaders are tracking changes in how key stakeholders view reputation.

Employees and customers top the list of who is currently shaping as well as driving business benefit of corporate reputation.

The concept of corporate reputation has evolved, in part due to increased expectations of key stakeholders.

Consumers' expectations of companies have increased	65.4%
Employees are more vocal about issues they care about	63%
Definition of reputation has broadened to include new criteria	40.7%
Issues facing businesses have become more complex	40.7%
Political scrutiny of the role of business in society has increased	32.1%
Investors are placing increasing value on ESG ratings	28.4%

Question: From your perspective as a communication professional, why has the concept of corporate reputation evolved? Select up to three.

Customer and **employee** engagement rise to the top of the list of benefits of a positive corporate reputation.

Customer brand loyalty	3.17
Employee morale/retention	3.51
Employee recruitment	3.8
Product sales	4.21
Stock performance	4.79
Crisis management	5.24
Partner and vendor relationships	5.37
Government relations	5.9

Question: Which aspects of a company's business benefit the most from a positive corporate reputation? Rank from 1 to 8 (1 being the highest).

CCOs see benefit in a variety of content formats in building reputation... though what they consider most effective does not always match what key stakeholders find most effective.

Communications leaders over-estimate the power of CEO visibility and news about products and services and underestimate the importance of positive product / service reviews and workplace stories across stakeholder groups.

Content Type	Comms Leaders	General	Investors	Employees	Consumers
Positive profile of the CEO	31.9	19.3	23.2	16.5	18.3
Positive product or service reviews	30.4	38.1	34.3	36	43.9
Article about efforts to improve society	29	14.8	16.9	11.8	15.8
Positive financial or industry analyst report	27.5	30.2	37.9	28.5	24.2
Company reports about sustainability efforts	27.5	23.9	27.8	21.5	22.5
Testimonial from a satisfied customer	24.6	23.6	17.5	27.2	26
News about products or services	24.6	8.4	18.1	3	4.2
Positive workplace story	23.2	32.3	21.8	43.3	31.8
Statement about a position on an important issue	20.3	15.9	17.9	15.6	14.3
Announcements of partnerships with respected advocacy groups	18.8	14.6	16.1	13.4	14.3
Positive quarterly earnings report	14.5	27.0	30.8	28.1	22.1
Recommendation from a trusted online influencer	14.5	10.3	15.5	5.5	10

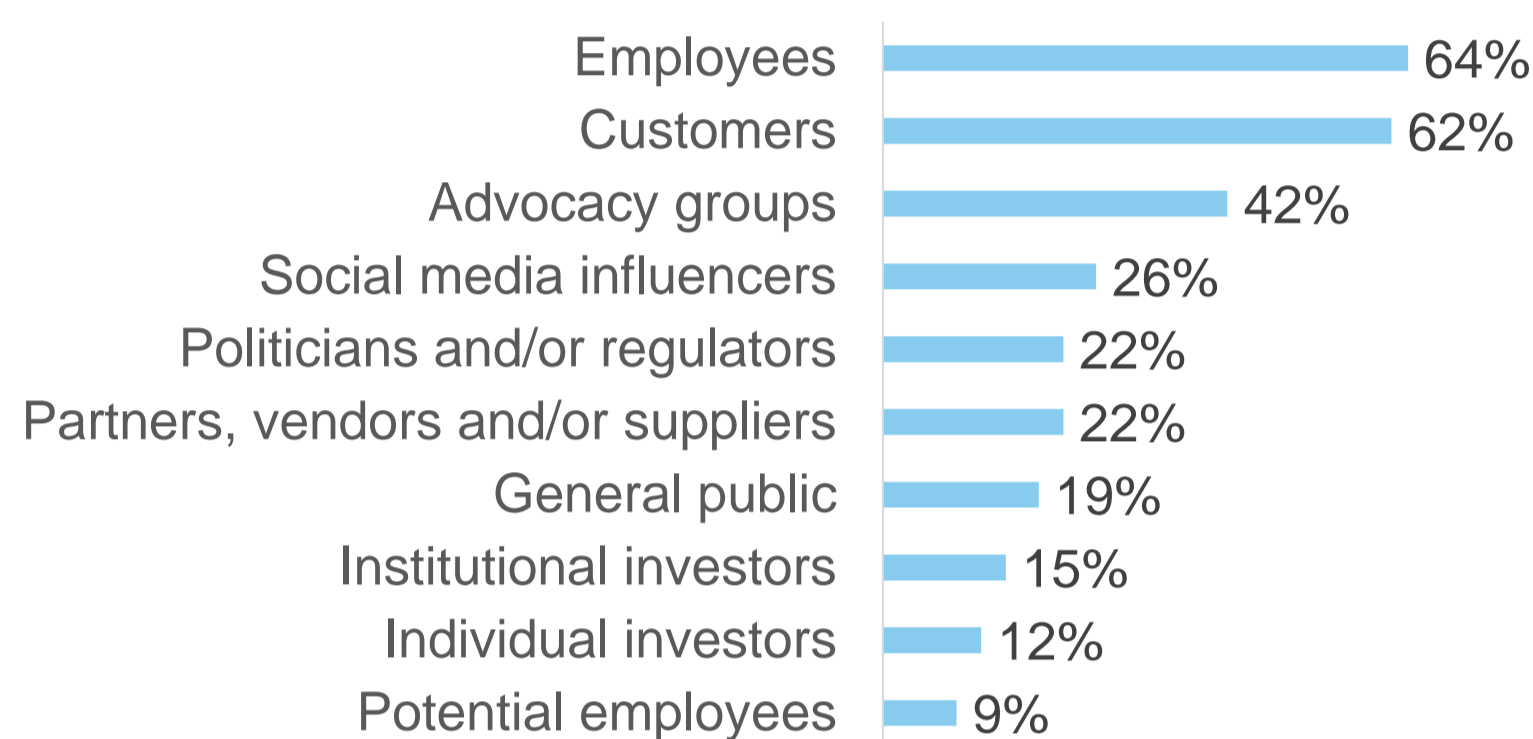
Question: What type of owned or earned media content is the most effective in enhancing a company's corporate reputation with key stakeholders? Choose up to 3.

<p>There is no one “best practice” for measuring reputation. CCOs instead track health and effectiveness in many ways.</p> <p>Question: What are the most effective methods for measuring the health of a company's reputation? Select up to three.</p>	Social listening	54.3%
	Customer surveys	51.9%
	Media coverage analysis	45.7%
	Reputation management tools	40.7%
	Employee surveys	33.3%
	Independent rankings and ratings	23.5%
	Financial/industry analyst reports	16%
	Other	6.2%

3. Over the next five years, communications leaders believe reputation will become even more critical to business success.

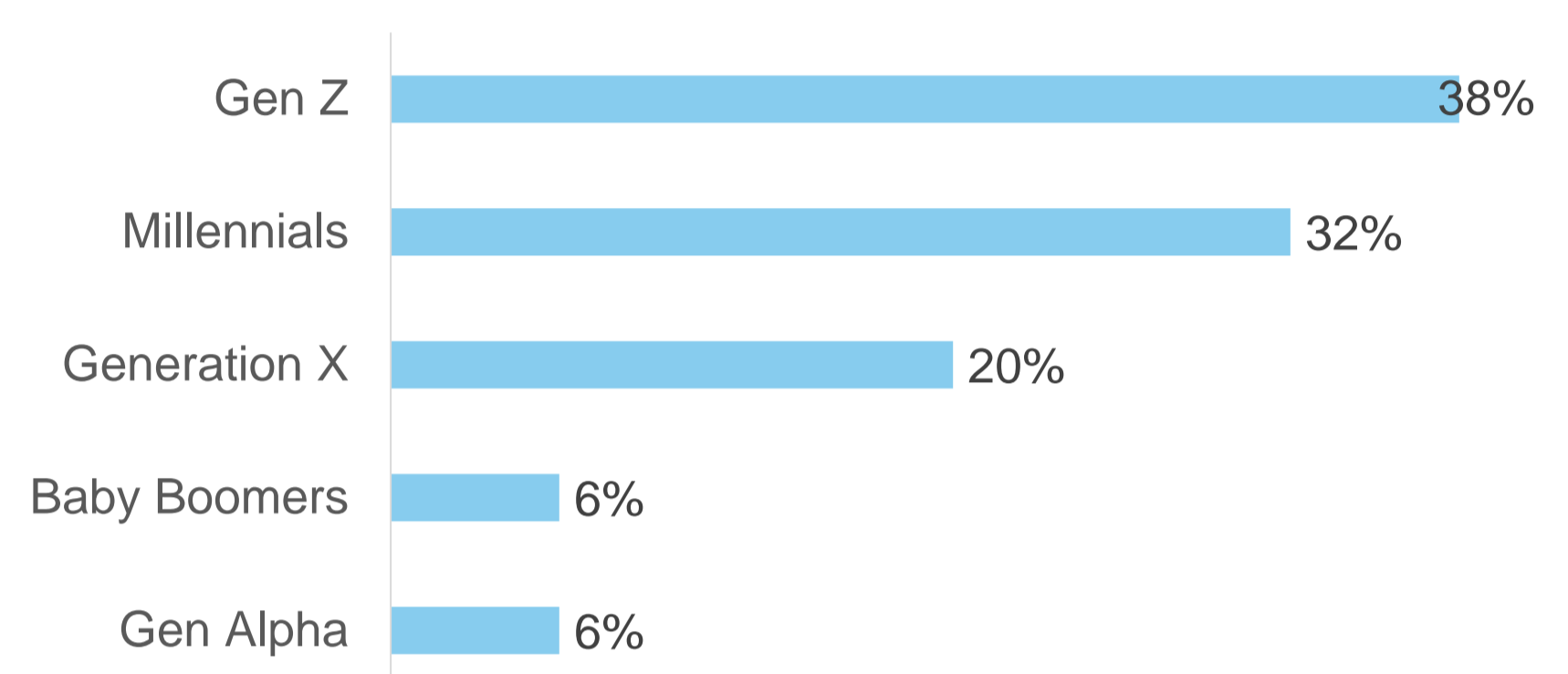
Communications leaders believe that employees, consumers, and all Gen Z stakeholders will have an increasing impact on reputation (both good and bad) over the next five years.

Communications leaders see **employees** as having the biggest increase in impact on reputation over the next five years, followed closely by customers.



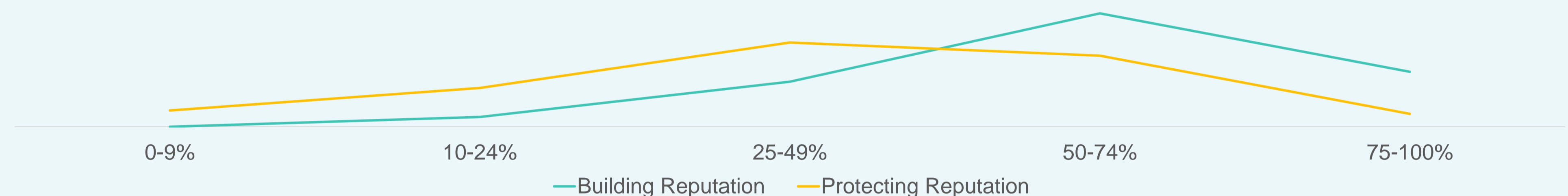
Question: Over the next 5 years, which of the following stakeholder groups will see the most dramatic increase in their impact on a company's reputation? Choose up to 3.

Younger generations – and especially Gen Z – are also anticipated to have an increasing impact on company reputation over the same time period.



Question: Over the next 5 years, which of the following stakeholder groups will see the most dramatic increase in their impact on a company's reputation? Choose up to 3.

Over the same time period, communications leaders anticipate splitting their time between building and protecting reputation.



Question: Over the next 5 years, what percentage of your time will you spend protecting versus building your client's or organization's reputation?

Communications leaders place different levels of importance on drivers for building reputation based on perceived stakeholder expectations, but they need not.

When asked the same question, consumers, employees and investors agree that the top driver of loyalty, satisfaction and confidence, respectively is consistent: **business performance**. Communications for communications' sake do not resonate; increased relevance will be found by driving business performance and improving corporate culture.

Source: 2023 Global Communications Report, USC Annenberg and Myriant by United Minds

DRIVERS OF REPUTATION

CCO EXPECTATIONS (%)

	General	Consumer loyalty	Employee satisfaction	Investor confidence
Business performance	35.6	13.7	6.8	86.3
Corporate culture	34.2	20.5	75.3	6.8
Social purpose	19.2	45.2	12.3	0
Communications	10.9	20.5	5.5	6.8

STAKEHOLDER REALITIES (%)

	General	Consumer loyalty	Employee Satisfaction	Investor Confidence
Business performance	44.4	38.6	40.5	54.2
Corporate culture	22.6	17.2	33.4	17.1
Social purpose	17.8	23.8	12.8	16.9
Communications	15.2	20.4	13.4	11.7

Question: Five years from now, which one of the following aspects of a company's reputation do you believe will be the most important in building ... ?

UNITED MINDS

4. Communications leaders (generally) understand what stakeholders consider most important in next five years.

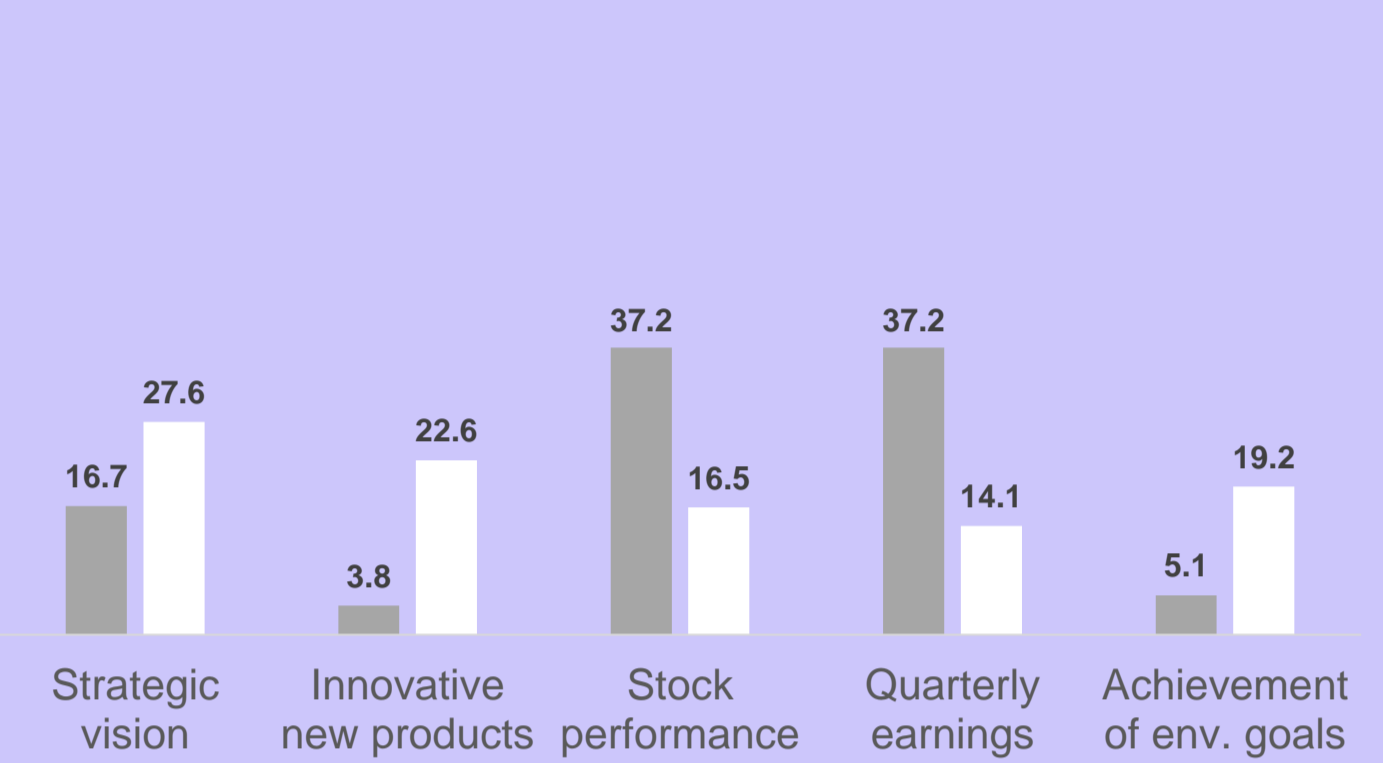
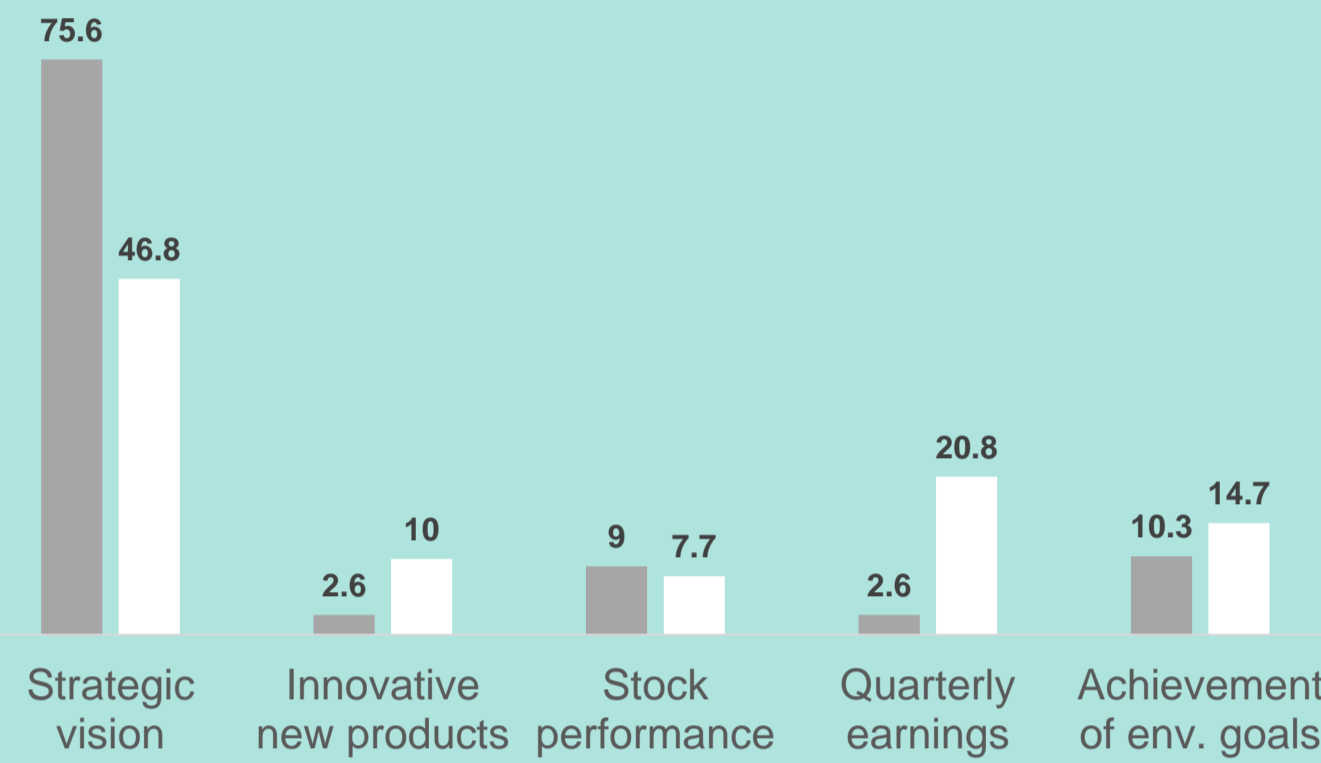
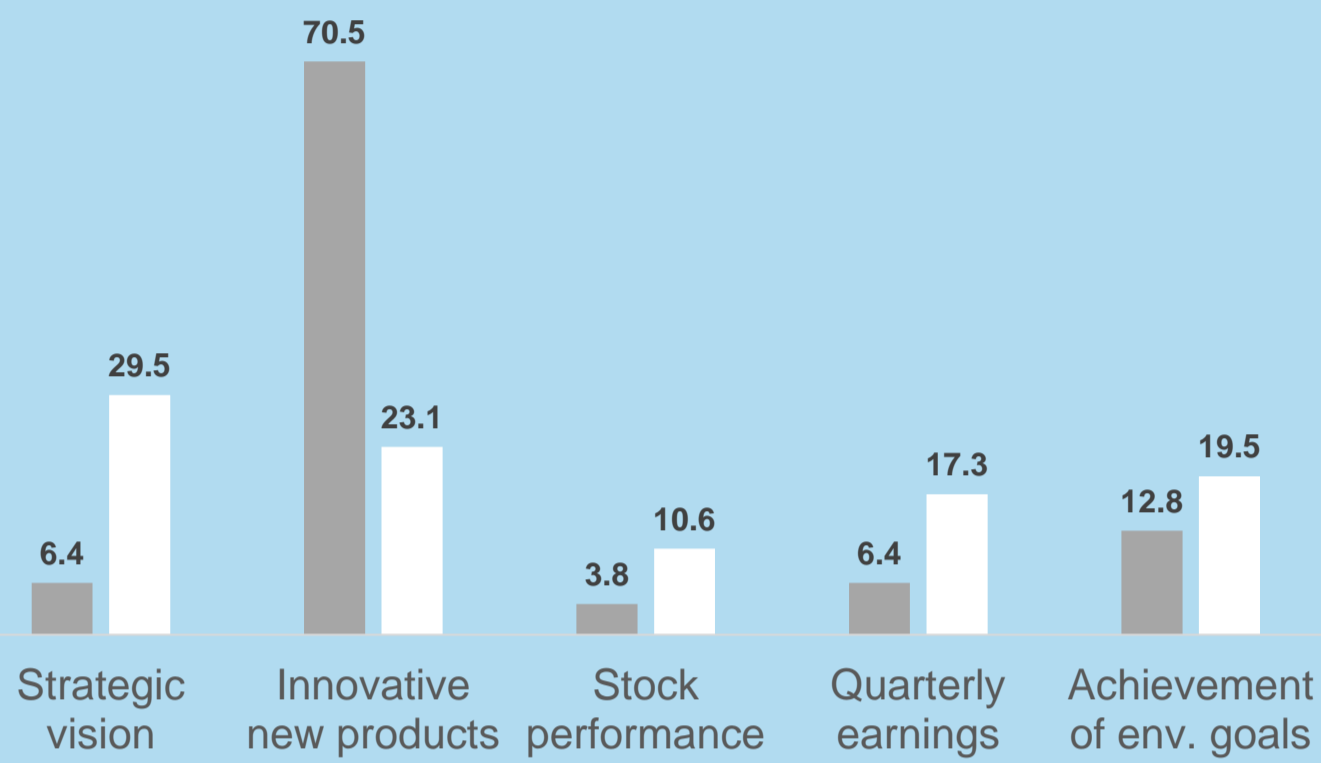
Communications leaders
 Stakeholders

Consumers

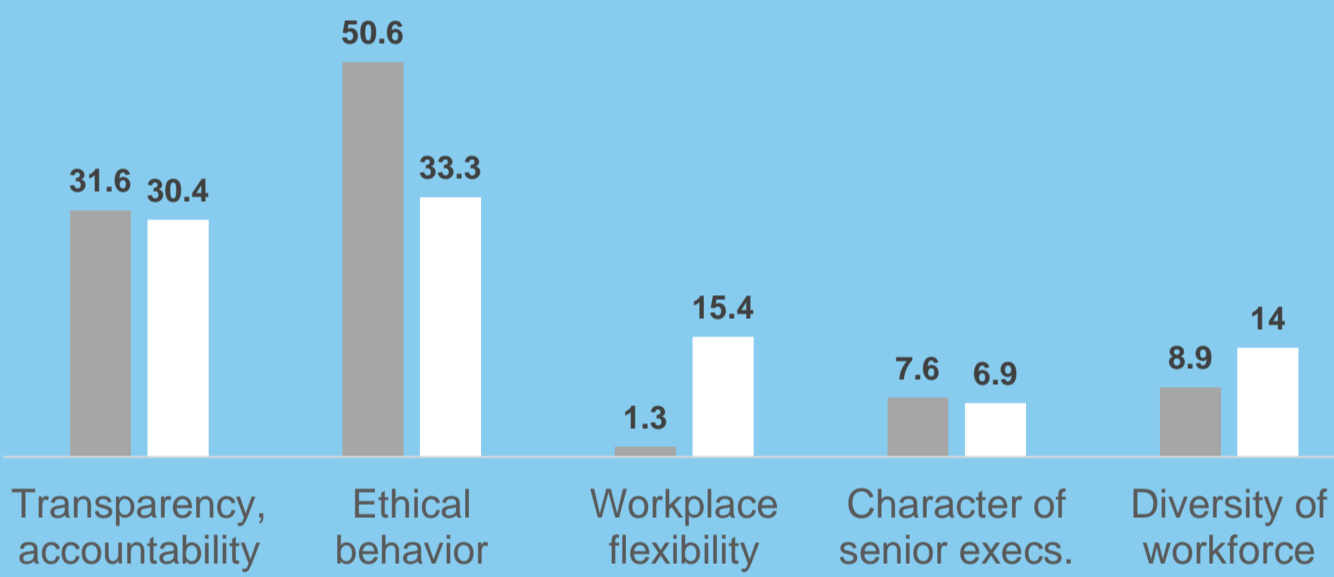
Employees

Investors

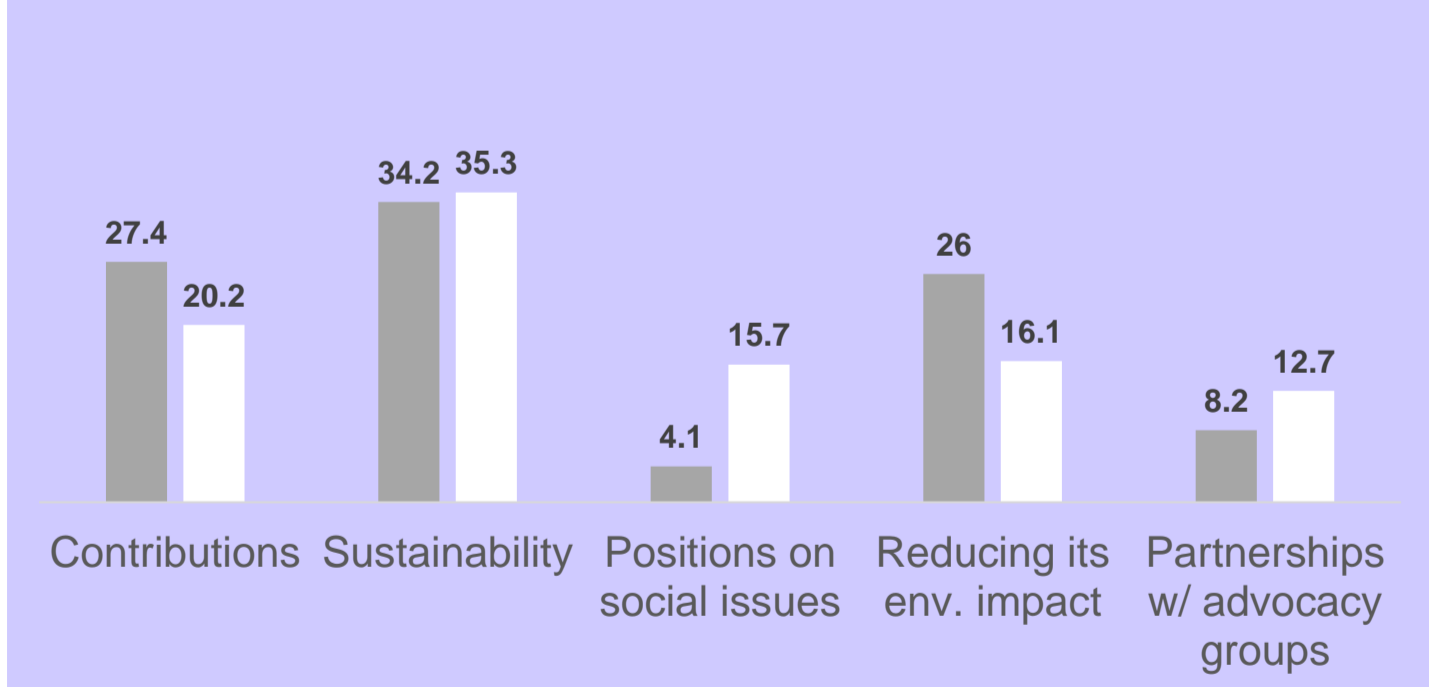
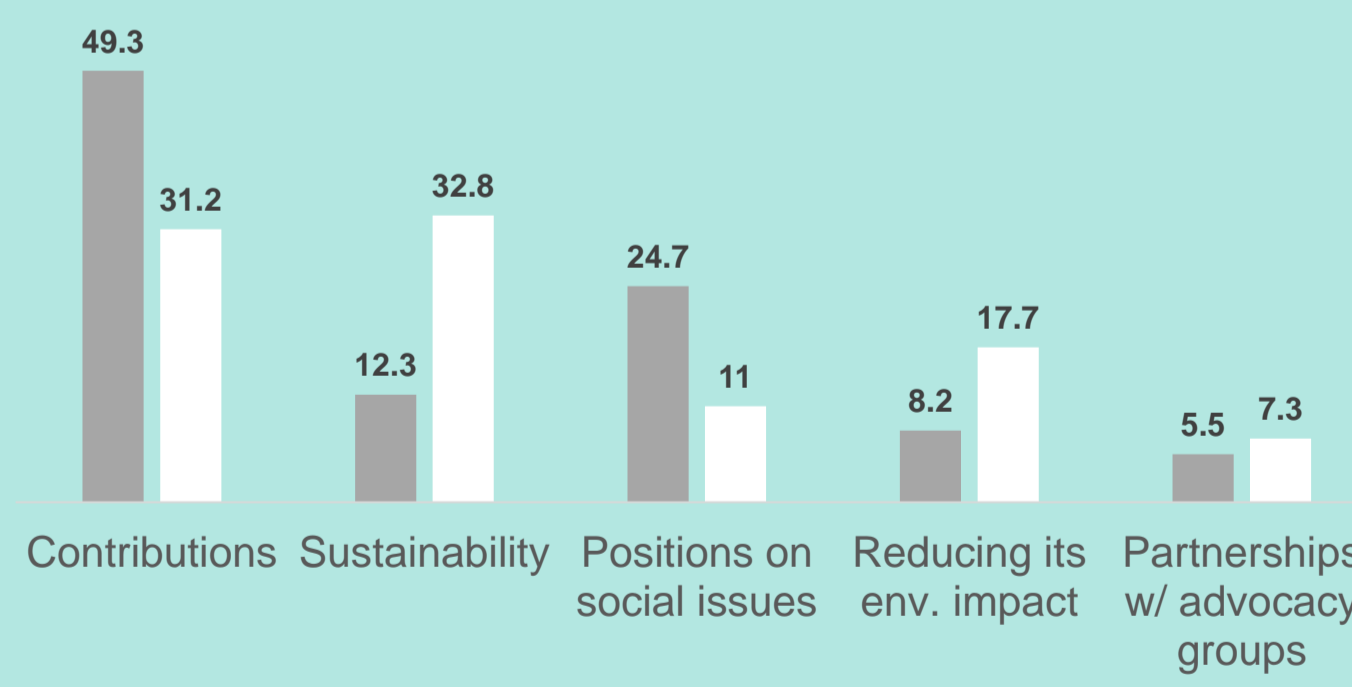
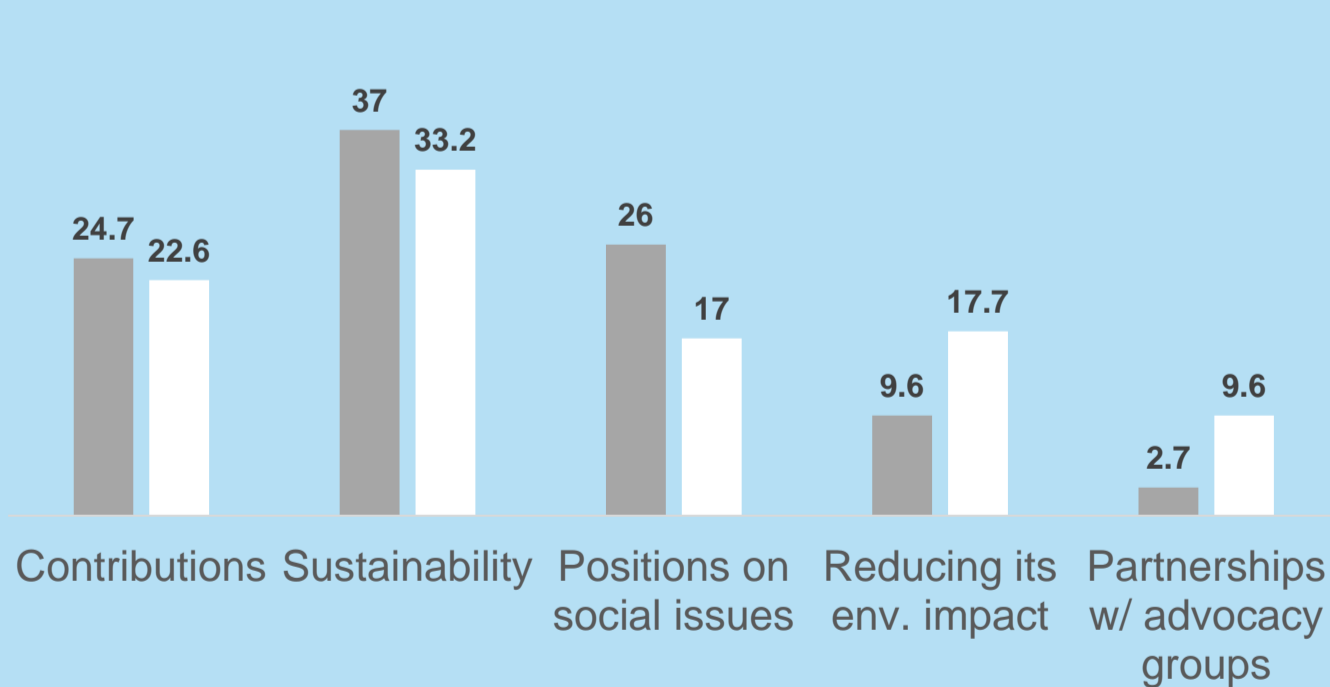
BUSINESS PERFORMANCE: strategic vision is the most important driver across all stakeholders; communications leaders over-estimate its importance to employees and under-estimate it to consumers and investors



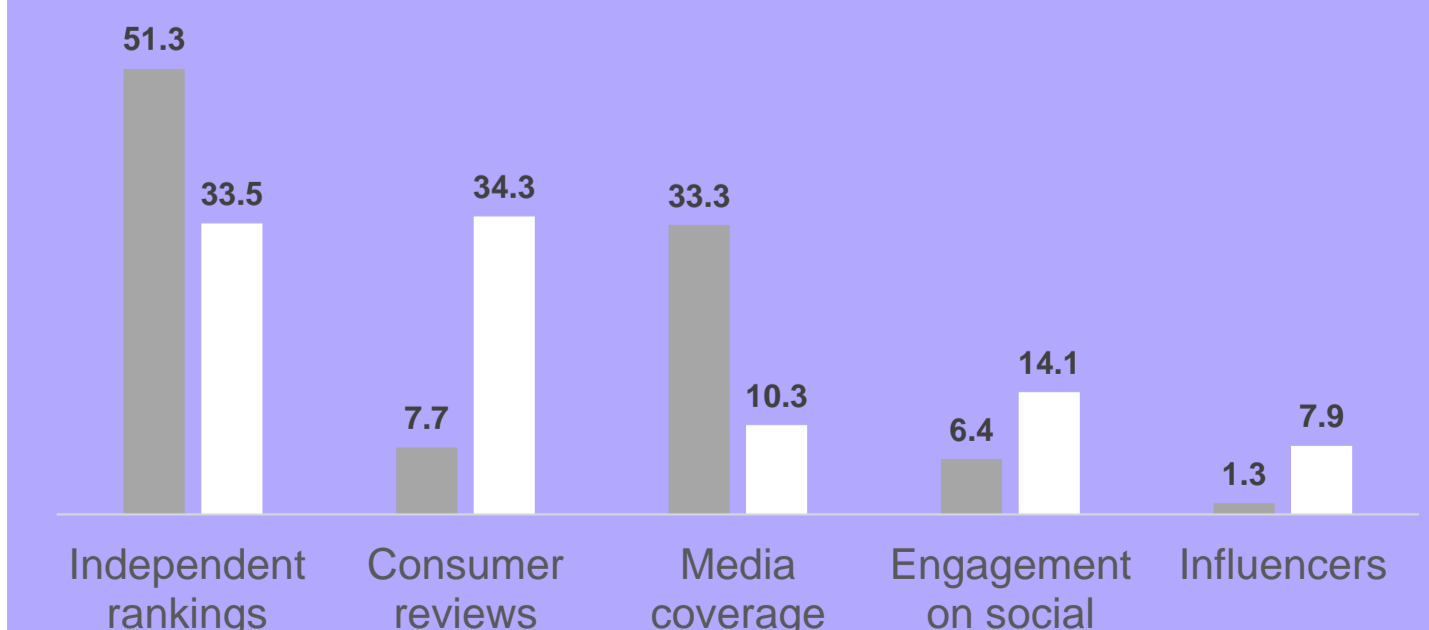
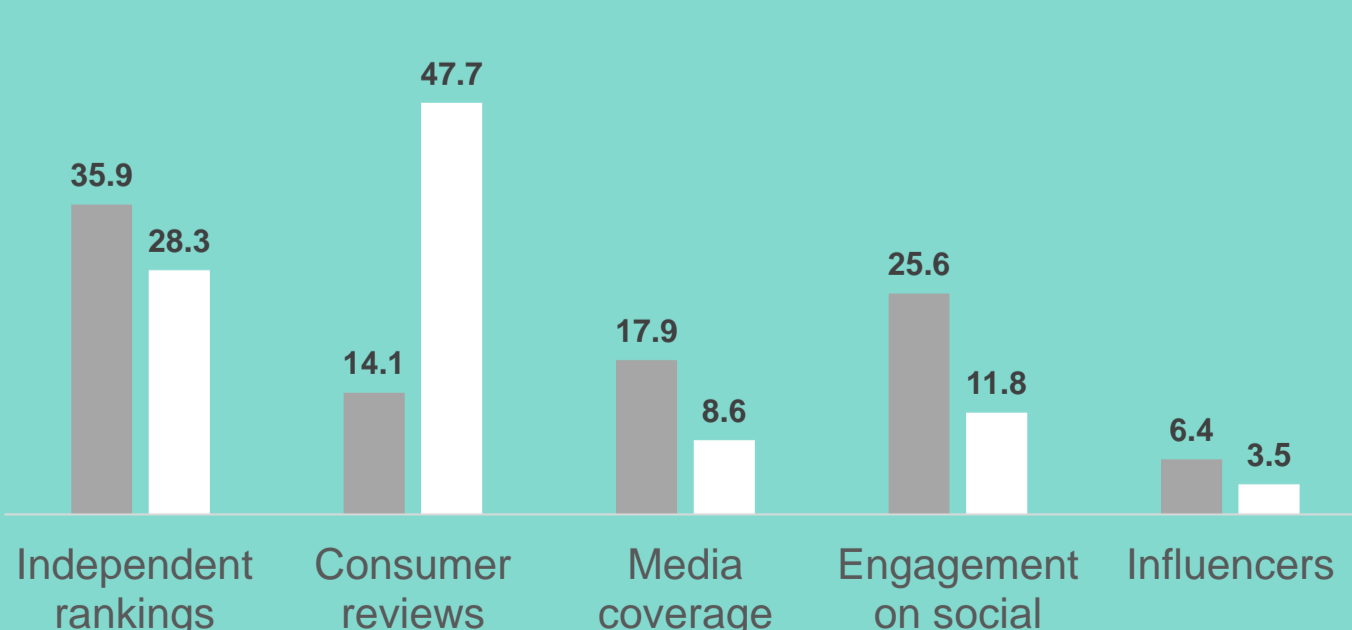
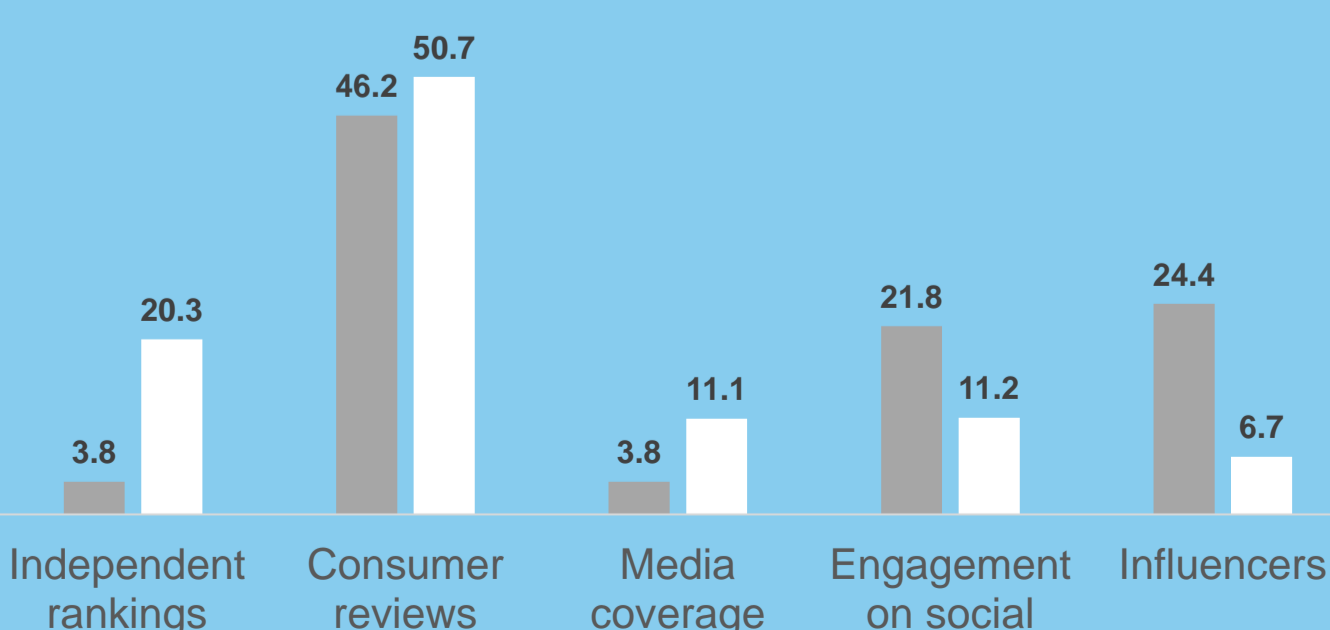
CULTURE: transparency and ethical behavior are top-2 for all groups; communications leaders most over-estimate importance of workplace flexibility to employees and character of senior executives to employees and investors



PURPOSE: contributions to aligned causes and sustainability are top-2 in importance for all groups; communications leaders over-estimate importance of taking a stance on social issues to consumers and employees, underestimate to investors



COMMUNICATIONS: Independent rankings and consumer reviews are top-2 for all groups; communications leaders under-estimate importance of consumer reviews for employees and investors and overestimate importance of influencers to consumers, media for investors and employees



5. When it comes to engaging around societal issues, communications leaders are more attuned to stakeholder expectations than other executives.

Communications leaders recognize the importance of environmental, social & governance (ESG) standards to investors and consumers, and younger generations especially.

Other executives are missing the mark. In addition to underestimating the importance of ESG, only 27% feel comfortable engaging around at least one ESG-related topic (addressing social inequities and/or climate change; publicly engaging on geopolitical, domestic and/or social issues).



Methodology

In February, Myriant by United Minds partnered with USC on a survey of different stakeholder groups – employees, consumers, investors and communicators – to understand their views on the current and future importance of reputation. Results show that the 94 communications executives (categorized as leaders of their function or company) sampled are poised to provide more impact than ever before.

Who they are:

Gender	
Male	43.6%
Female	26.6%
Non-binary	1.1%
No response	28.7%

Age	
25-34	6.4%
35-44	9.6%
45-54	23.4%
55-64	27.7%
65+	8.5%
No response	24.5%

Location	
North America	70.2%
Europe	13.8%
South America	8.5%
Asia	4.3%
Africa	1.1%
No response	2.1%

Political Affiliation	
Democrat	30.9%
Republican	13.8%
Independent	18.1%
Other	2.1%
No response	35.1%

Taking stakeholder engagement further ...

Communications leaders can increase their value by focusing on:

- 1. Shared intelligence:** Every business must make trade-offs when it comes to prioritizing stakeholders, but in a model where responsibility for stakeholder engagement is divided across different teams, these decisions are often made in a vacuum. An integrated Communication function – often under the umbrella of Corporate Affairs – offers a 360-degree view of stakeholders and a single point of responsibility in coordinating engagement vs. piecing together competing priorities from across the organization.
- 2. Shared narratives:** A clear articulation of the business strategy is critical to how a company is perceived by its stakeholders, and it requires nuances for each community. Communicators' advanced understanding of stakeholder dynamics is critical to tailoring a narrative effectively, avoiding inconsistencies can lead to misunderstandings and frustration.
- 3. Coordinated execution:** Most business priorities require support from different communities at different times. Strategic communications leaders should be empowered to pull the right lever at the right time in a coordinated fashion across shared platforms to drive advocacy at scale.
- 4. Shared accountability:** Accountability shouldn't be for the metrics of the individual function like reputation, employee engagement or policy wins. It's for the business. Strategic alignment within Communications functions means sharing the same goals while also maintaining discrete responsibility for the areas of impact necessary to achieve them.

We are United Minds, a global management consultancy dedicated to making business more human through organizational transformation. We combine cultural intelligence, leadership strategies, change management principles and our deep roots in communications to help communicators adapt and evolve themselves and their function, and reimagine how communications is done.

Get in touch at contactus@unitedmindsglobal.com.