



Why CEOs Must Know Their Audience

It can be daunting for a first-time CEO to understand and manage the expectations of multiple stakeholders. **Nick Helsby**, MD of Watson Helsby, a specialist communications and corporate affairs executive search firm, explains how a communications director can ensure a leader gets off to a strong start



The world that today's CEO inhabits is one of constant exposure, often emotional and hostile. There is simply nowhere to hide.

Consequently, when someone becomes a CEO for the first time there are a number of experiences and pressures that are going to be new to them.

Perhaps the most challenging of these is the heightened profile accompanied by public scrutiny, coupled with a sense of expectation among stakeholders outside of the company. Profile inevitably attracts media commentary, inviting judgement and possibly criticism, often of quite a personal nature. Failure sells better than success.

All of this will be new and requires preparation as well as training/coaching in skills that have not, up to that point, been seen as critical to their job.

The degree to which a CEO's vision, strategy, actions and decisions are picked over in the public domain is dependent on the size and profile of the company. However, there is one audience that will be watching and scrutinising their every step and utterance, and that is employees. Their expectations and perceptions, above all else, will need to be anticipated and managed.

Communication with them, along with the ability to find an authentic voice that they can believe and relate to, is therefore critical.

Making an Impact

Regardless of the stakeholder audience one thing is certain – the honeymoon period is short and the effectiveness of

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communication will play a key part in laying the foundations for future success.

From the outset, decisions at the top of the organisation cannot be made without thinking through how they will be articulated, whose approval and buy-in will be needed and what impact these decisions will have and therefore how they need to be communicated.

It is no exaggeration to say that today's CEO needs to continually explain what they are doing and why they are doing it. This means not only knowing when and what to communicate but how to communicate with both empathy and authenticity.

A recent survey by the Public Relations Consultants' Association (PRCA), conducted among both business leaders and consumers, concluded that “attitudes to CEO visibility are gradually changing in the UK. There is an appetite for more exposure to the CEO, particularly amongst millennials as, in particular, it enables them to see if they share their values”.

One interesting statistic was that 75 per cent of business leaders polled thought that the “image of the CEO influences how people feel about the organisation”.

Below we have highlighted five facets of the CEO's role that will help determine their early and longer-term success, all of which underline the importance of the advice, expertise and judgement, of a senior communications adviser:

1. Narrative

Every new CEO needs a story because once they have conducted a review of the organisation and its marketplace, they must quickly formulate a clear vision of where they would like to take it.

The key audiences for this narrative will include the leadership of the company, the broader employee population, investors and analysts (if publically quoted), business media, partners and possibly the government, regulators and politicians.

The narrative should pull together the CEO's view of ‘who we are, what we stand for, how we do business and where we are going’. This should be done in a way that should be motivating, clear and easy to grasp.

A narrative is critical for a number of reasons, including:

- It helps to secure alignment at board and ExCo level. It therefore reduces the internecine battles between senior internal stakeholders over what the core narrative, strategy and messaging should be.
- It drives operational focus. Everything an organisation does – decisions, actions, behaviours, communications – must be aligned with, and fit within, the narrative. It therefore acts as a filter. Anything that does >



not fit, or that is dissonant with, the narrative should be discarded.

- Employees will be more motivated if they are united behind a single, meaningful purpose and vision that they can understand and relate to. The narrative should become a core part of the employer brand and should help attract and retain talent.

A CEO will not have time to create this narrative on their own. It has to be co-created with the executive team, as their buy-in and alignment is critical to its success, and then stress tested at lower levels of the organisation.

They will also need someone, probably the communications director, to help them articulate and structure their thoughts and vision and turn these into a narrative.

The communications director and their team will have to drive the communication of the story internally and externally. They, more than anyone, are the ones who will be most acutely sensitised to how it is likely to land and play out with key internal and external stakeholders and they are the ones that create the critical feedback loop into the organisation.

2. Communication Style

A CEO needs to understand how the language they use, and the tone of voice they adopt, can help them to land their messages more effectively. Quite often, a CEO needs advice – though not all recognise this – on how to speak in clear and straightforward language. They also need to know how they come across and the impact that their communication has on others.

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At the outset they need to be clear about the things that matter and explain why that is the case. For this to really make an impact, they need to be authentic in their delivery so there is consistency between their own values as a leader and the values they want the organisation to embody.

Social media and the opportunities to connect directly with stakeholder audiences that it presents, will soon expose inauthenticity or inconsistency of voice.

A new CEO cannot afford to get this wrong in the first 100 days. It requires planning, good judgement and ideally the experience and advice of a good communications director.

There are external advisors that can help on aspects of communications, and they should be used for their specialist expertise, but it is critical that there is a senior leader who is well networked within the company – in a way that a

consultant cannot be. Someone who is able to provide insight and feedback and pick up on the news/rumours, since it tends to be an iterative process.

3. Bringing the Outside World In

Most CEOs will be inward looking for their first 100 days (and indeed beyond), focusing on strategic options, operations and people issues. This can inevitably lead them into a situation where they overlook the importance of external stakeholders.

Clearly, business strategy has to fit the business and its priorities, but it also has to be cogniscent of, and factor in, the external environment. They need someone who can point out how something will look to the outside world, highlighting the unintended consequences of a particular course of action.

This perspective can help provoke discussions that might not otherwise be had.

To quote one Communications Director we recently interviewed: “Our job is to understand what is happening out there, making sure the business plan is not full of things that are going to get shot at and outlining the possible unintended consequences of decisions.”

The communications or corporate affairs function sits at the interface of a company and many of its external stakeholders (media, government, politicians, industry associations, consumer groups etc). CEOs, and business leaders more broadly, need and should want, to understand how they are perceived through the lens of stakeholders. >



As one CEO recently remarked to us: “We need to know how we look to the outside world.” Moreover they need to know where criticism is coming from and why.

Some of these stakeholders need to be engaged with at an early stage and the communications director, who often has a strategic diary management role, should be able to identify who the CEO needs to meet and why.

4. Relationships with Stakeholders

It cannot be emphasised enough that the manner in which a company, and the CEO sets the tone here, manages its relationships with stakeholders can speak volumes about its character and values.

It is abundantly clear that the days when a company could single-mindedly pursue its own agenda to the exclusion of the needs, expectations and sentiment of its stakeholders are long gone.

Some CEOs intuitively get this but many don't, strangely enough, particularly if they are low in emotional intelligence – a recognised characteristic of many business leaders.

In many instances, CEOs need expert guidance and handholding to help them navigate what can be a complex web of stakeholder relationships.

They also need someone who is able to help senior business leaders (and not just the CEO) understand the impact of their behaviour on others. Someone who can understand and anticipate the emotional reaction of those people affected, directly or indirectly, by decisions, actions and behaviour.

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One CEO we interviewed for a recent research study remarked that he most valued his Communications Director for their “blend of IQ and EQ on a testosterone loaded board”.

5. Putting People First

We should end with the audience we began with: employees. In the past, employee communications programmes traditionally revolved around a calendar of carefully choreographed events and initiatives.

This has changed as employees increasingly expect a continuous and personalised two-way dialogue that takes place in real-time through multiple channels.

Managed in the right way, this can help a CEO keep their fingers firmly on the pulse of their people’s morale, perceptions and preoccupations.

In many companies the communications director is emerging as the key source of this insight, as well the architect of initiatives that respond to it. Compared to HR (though there will be exceptions), the communications function is probably better equipped to provide a nuanced barometer of employee consciousness and mediate the kind of iterative dialogue that is at the heart of employee engagement.

The following quote from a recent piece of our research captures this sentiment: “The bulk of people won't tell HR what they're thinking because they don't trust them.”

For all of these reasons, the advice, judgement, knowledge and experience of a communications leader is critical.

Any CEO who embarks on their first 100 days without senior level communications advice will find it difficult to get the initial traction, momentum and goodwill that a good start is dependent upon. ■



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