



## **CORPORATE COMMUNICATION PRACTICES AND TRENDS STUDY 2011: UNITED STATES**

Executive Summary of Final Report

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The “CCI -- Corporate Communication Practices and Trends Study 2011” confirms corporate communication as a strategic management function and has significant implications for professional practice worldwide, centered on these ten key findings:

**1** There has been a transformation of the corporate communication discipline through dramatic consolidation of internal and external functions -- marketing, public relations, employee relations. Increases in internal focus are supported by greater budgets for corporate culture, intranet, and employee communication functions. Increases in external focus are shown through increased budget levels for reputation management, issues management, government relations, and social media functions. These increases underscore the advantages of empowering employees and customers.

**2** Increased pressure on corporate communicators as a result of continuing static budget and staff levels reflects the continued uncertainty in the global economy. Modest budget (28%) and staff (27.4%) increases reflect overall corporate caution in response to the global economic downturn, contrasting sharply with decreases in 2009. Nevertheless, communication executives remain optimistic that their budgets will **not be “among the first to be cut”** (88.2%), reflecting the value of the function. Decreasing resources continue to drive corporate communicators to accomplish even more with less. The situation creates an opportunity to leverage the corporation’s culture and its employee “ambassadors” through media technology to add strategic advantage and value.

**3** Increased attention to corporate culture and employee communication is a response to continued uncertainty in global economic conditions, business model transformation, and the networked enterprise. Renewed internal focus is driven by an understanding of the employees’ essential role in the networked enterprise, and the need to boost employee morale, and reflect reluctance to commit resources to hiring additional staff. This presents an opportunity to position for either an economic recovery, or continued global economic weakness.

4 Dramatic increases in complexity and speed are in response to social media's role and importance in corporate practice. Continued increases in the communication officers' responsibility for the social media function (84.3%, up 6.3% from 2009) and its budget (74.5% up 10.5% from 2009). There is also an increased use of vendors for social media (38.8%; up from 28% in 2009). The opportunity is to focus new technology internally and externally for clearly defined strategic purposes

5 Communication executives continue to see their primary role as "counsel to the CEO" and "manager of the company's reputation." Reputation management continues to grow in importance and in budget allocation. Strategic communication counsel has been cited as the primary role for corporate communication officers since the first CCI Study more than a decade ago. Reputation management requires a strategic partnership with the CEO

6 Corporate communication's responsibility for the management of Investor Relations has dramatically decreased. It is the lowest responsibility for the management of the IR function (15.7%) and budget (7.8%) since the first CCI Study, and this reflects corporate uncertainty. However, corporate communications is overwhelmingly engaged with the Annual Report function (70.6%) and budget (60.8%). Communication with shareholders, the capital markets, and other stakeholders during a weak economy remains essential in maintaining positive relationships. Such uncertainty offers an opportunity to develop and communicate strategic understanding of the volatile business environment.

7 Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) aligns with leading practices. Most (75%) communication officers report that the new legislation has had "no," "limited," or "minimal" impact on corporate communication, adding that their transparency policies were in place before the legislation was passed. This provides an opportunity to demonstrate that your organization takes regulatory reform and consumer protection seriously, as well as to help regulators and lawmakers understand your business.

8 The *Citizens United vs the Federal Election Commission* Supreme Court decision (2010) highlights that leading corporate communication practices re-enforce non-partisanship. Communication officers report that the U.S. Supreme Court ruling has had "no," "limited," or "minimal" impact on corporate communication, adding that their corporate political campaign contribution policies are long standing and transparent. This situation offers an opportunity to demonstrate that your organization exercises its financial and political influence responsibly.

9 Corporate communication officers report decreased use of vendors to help with critical functions, as well as slight increases in Media Relations, Public Relations, Community Relations, Intranet, and Social Media. They also report decreased use of vendors to help with critical functions, but slight increases in their use for Media Relations (up 3.9%), Public Relations (up 5%), Community Relations (3.6%), Intranet (1.5%), and Social Media (10.8%). Complexity and uncertainty drive the use of vendors, "interns," and "contingent workers," but dependence on outside experts may be at the expense of developing internal capability and expert counsel. However, global agencies do offer experience and expertise without long-term commitment.

10 Communication officers report the development of an expanded skill set, with even greater emphasis on business acumen and the ability to articulate ideas and to persuade others. The demographic profile of top Corporate Communication officers describes a communication officer who is younger (56% 40 – 55; in 2009 60% over 50); better paid (48% above \$300k; in 2009 33% above \$300k), better educated, and mostly male (75%; in 2009 66.7%). Because corporate communication executive officers are "middle-aged", and 1 out of 4 is paid over \$500K, they might take advantage of the opportunity, and consider the different experiences between them and their staff in employee communication. They could then develop the business competencies of new staff and the leadership experience of managers.

For 2011 the overall goal of the CCI – Corporate Communication International “Practices and Trends Study” was to outline and analyze the *state of the art* for corporate communication practice in publicly-traded, multinational companies. It was determined in the first CCI study in 2000 to focus on publicly traded companies for several reasons. First, information in such companies is public and more readily accessible. Second, public companies are often in the vanguard of corporate practices because of the pressures of the capital market, their need to respond to the media, and the realities of the global marketplace. And finally, public companies have a greater understanding that their “license to operate” comes from public approval and is maintained by public trust.

The CCI Study 2011 continues the studies from 2000 to 2009. CCI -- Corporate Communication International determined that the practices and trends study could be conducted every two years, and this cycle of research was implemented with the study in 2005. In years the practices and trends study was not conducted, the focus of CCI’s research has been on particular issues that have an impact on the profession. In 2006 and 2008 CCI conducted benchmark studies of the Corporate Communication Practices and Trends in China. A CCI Study was also conducted in China in 2010 and reported in June 2011 at the CCI Annual Conference in New York City. In 2008 CCI, along with research partners in South Africa, conducted a benchmark study in South Africa. Information gathering for these Benchmark Studies was based on previous CCI research studies. For the 2011 research we also compared the results with the CCI Studies from 2000 to 2009. The results of these studies are posted on the CCI website at [www.corporatecomm.org/studies](http://www.corporatecomm.org/studies).

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