



The Changing Face Of Executive Reputation

October 2018



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Foreward



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Today, the world of executive reputation has widened well beyond that of the company, brand and CEO. More senior executives are expected to be engaged publicly and connecting with stakeholders in new ways. However, it is a noisy and distracted world. Without an intentional commitment that leverages existing business resources to build a coordinated enterprise strategy, this effort will be time-consuming and fail to deliver the desired outcomes.

In this white paper from Qnary and the BE Center for Global Communications (a shared initiative between Emerson College and The Blanquerna School of Communications), we assert that the digital reputations of key executives should no longer be seen as mere window-dressing. Instead, they should be considered as essential company assets that can be leveraged as part of a powerful and communicative business practice: one that has the potential to reach diverse groups in important, engaging ways.

In the following pages, we examine how C-level digital executive reputation is changing and how it can be harnessed to help drive business success. We suggest ways in which it can become – as we believe it should – a central part of a contemporary business strategy. We examine how the development of reputation management has moved from the margins to the center of the organization, and we look at the future of executive reputation. But we also note that with a growing and sometimes bewildering array of communication options – from online platforms to events, traditional media to internal communications – help is sometimes required to navigate the ecosystem. We are here to help: Qnary’s technology and solutions can help organizations integrate executive digital reputation programming with existing corporate communications teams and scale to ensure efficiency.

Introduction

In the summer of 2018, Qnary and the Blanquerna Emerson Center for Global Communication surveyed 6,219 full-time employees across the United States of America, the UK, China, Italy, Spain and Australia. The results of that survey are the foundation for this white paper which explores the changing face of executive reputation. The findings detailed in this report show unequivocally that the online reputations of senior C-level executives have become a significant influence on the perception of organizations. Insights we have gleaned from the study support the conclusion that public-facing profiles for senior executives should no longer be confined to traditional paradigms of personal career development or public relations. Rather, the development of digital executive reputation has become a workstream that can be integrated with other functions and power important organizational advantages, including the growth of good morale, a sense of purpose and heightened dynamism throughout the workforce. As a business practice, it will only grow in importance.

Report at a Glance

Our findings include some key indications which together suggest that digital executive reputation is becoming an increasingly important part of a company's accountability.

56%
of respondents
stated that a
business executive's
presence on social
media positively
influences their
purchase decisions.

- 1 | Our survey reveals that an executive's social media presence can positively influence purchase decisions, with six out of ten respondents saying that if they followed (or were to follow) a senior business leader on social media, they would be more likely to buy from that company. We would argue that this finding finally moves the needle on digital executive reputation from a nice-to-have, to a clear financial imperative.
- 2 | Women are 25% more likely than men to make choices about which business leaders they choose to follow online, based on an executive's standpoint – or lack of – on social issues. Acknowledging the above connection to purchase intent when following an executive's social media channels, we believe we will see an increasing corporate focus on how men and women may respond differently to corporate messaging, and how best to embrace and translate that new understanding into purposeful communications.
- 3 | In the era of digital transformation, the consumer ecosystem and the consumer journey are evidently changing. It is perhaps unsurprising that in the survey, the Millennial generation (those 'digital natives' born between 1984-96) were almost twice as likely as older consumers between 45-54 years old to be influenced by an executive's digital reputation. We expect to see this engagement increasing as Millennials grow older and are followed by new generations of digitally-literate consumers.

We know from our earlier studies that there is a widespread awareness of some of the key benefits derived from the development of an online executive reputation – personal career development, fame generation and the ability to attract new talent. Based on our findings we now propose that the management of the digital reputations of a CEO and other staff on the C-suite are fundamental business functions that organizations need to address, to embrace and to integrate across the company to ensure future marketplace success.

The Changing Face of Executive Reputation

How do you get updated on or learn about a business leader's views?



AGES 18-24 AGES 25-34



AGES 35-44 AGES 45-54



Reputation management is evolving rapidly. Historically it referred to niche public relations activity, typically to be deployed when in the midst of an urgent crisis or scandal. Today, a company's reputation is increasingly considered an 'always-on' function, embedded deep in a company's culture as well as being part of its public face.

In our research, we found that more people now rely on social media versus traditional media for updates on business leader's views. Unsurprisingly, this was particularly true of the younger demographic of 25-34-year olds (70%). Less predictably, perhaps, it proved especially valuable in China where five out of six of our respondents use social media as a first call.

Leveraging online reputation for executives is now part of the process of digital transformation. In our 2017 survey of business executives in the US we found that 80% of respondents said it was 'likely' or 'very likely' that being influential in your industry could be achieved by having a digital presence.¹ If we were to re-run that survey today, we believe that percentage would be significantly higher: social presence and executive influence are increasingly inextricably linked, and we believe that this is a tide that cannot be stopped (a view reinforced in Forbes' 2018 report on the world's most influential CMOs).² Today, C-suite executives have become ambassadors for their companies, and as such their reputations need to be intentional. This requires both new investment and an enhanced functional integration of existing resources. With executive social channels playing a much more significant role in delivering corporate news and information, leaders should acknowledge the importance of online engagement and actively participate in the process.

¹ Qnary, Professional Digital Presence Study, 2017

² Forbes, Sprinklr and LinkedIn, June 2018

**“Your brand
isn’t what you
say it is; it’s
what Google
says it is.”**

Chris Anderson, former Editor of Wired

A New Age of Empowered Executives

“The age of the discreet business executive is over and in its place has come an expectation of transparency and responsiveness.”

In the past, company representation was the exclusive domain of public relations offices and the CEO. By contrast, in today's fast-moving environment, the qualitative aspects of presentation have changed. Once, it was about charismatic and vocal leaders – think of how Richard Branson embodied Virgin or Bill Gates' Microsoft – whose PR teams were able to take full advantage of their leaders' profile and regular dispatches. But while it was considered a benefit to having a public-facing executive, it wasn't considered a necessity.

Today, however, business leaders face a tipping point. The age of the discreet business executive is over and, in its place, there is an expectation of transparency and responsiveness. As the exemplar of a company's values, and guardians of the bottom line, he or she is expected to represent company news and initiatives authentically, indeed to be the actual human face of a corporation. Remarkably, however, while over half of people questioned in our survey tended to follow senior executives because they are interested in their company, brand, and products, only one in six respondents said they could relate to those executives. This suggests an opportunity for more finely-tuned messaging, to ensure that business leaders connect more effectively with everyday people.

Empowered executives in the C-suite and beyond should seize this opportunity to leverage online reputation in innovative ways. At Qnary we believe that this phenomenon can be scaled within the workforce broadly. Many individuals can become part of this vision, creating reputations that are inspirational, ethical and motivational. All managers in a company can and should believe in the value of engaging, authentic communication and have a holistic outlook with regard to the company's goals and objectives.

Moving from Celebrity to Credibility

While star executives still exist today, the real story is not one of executive celebrity, but rather credibility. The visibility of the C-suite means having a more significant public presence but carries with it the critical task of communicating with greater purpose. Google's CEO Sundar Pichai, for example, has been an advocate for diversity, showing support via his social media channels for issues such as the rights of transgender troops after the White House moved to ban them from the US Army. And it matters: echoing other studies, a recent report in the UK found that almost a quarter of Brits believe a company's values, actions and corporate reputation are just as important as its product attributes and features – and the vast majority of this group (94%) place a high value on the opinions of leadership which, they say, directly impact their purchasing decisions.³ These so-called 'CorpSumers' also expect brands to take a stand on social and policy matters (93%), and 73% would share the company's information on social media as a result.

Clearly, organizations will reach their own comfort zones with regard corporate executives taking a stand on social issues, but the point is that some response to external events may be necessary, and indeed beneficial to the corporate brand.

³ MWWPR and Wakefield Research, September 2018

Driving Purpose with Employee Advocacy

33%
of our respondents thought employees should be encouraged to act as advocates for their companies. 20% also believe that advocating for your company online can currently look staged or forced.

The term 'Employee Advocacy' has gained in popularity in recent years and is now widely used to denote the process by which employees are enabled and sometimes required to visibly represent the organization through social media. Yet the most compelling advocacy is not part of a workplace directive but given of its own volition by a motivated workforce. Crucially, reputation advocacy should be genuine and compelling if it is to be effective. Some 33% of our respondents thought employees should be encouraged to act as advocates for their companies, with one in five saying they would do so if senior management were to lead by example. Yet 20% of our respondents also believe that advocating for your company online can currently look staged, or forced. The key here is to encourage and enable business leaders and employees to bring their human to work and positively advertise their humanity, instead of hiding it, through the sharing of social media content that is authentic, open and creative. Our belief is that those companies that empower and enable employees to do so in a friction-free way will be the ones that reap the reputation rewards.

“CEOs who take a stand, which aligns with important public policy issues – especially related to measures about citizenship and governance – rank disproportionately.”

Stephen Hahn-Griffiths, CEO, RepTrak

Amplifying Corporate Voices, with Intention

“Over the past decade, the Internet, mobility, and social media have upended traditional ‘command and control’ marketing. The pendulum has shifted dramatically to individuals... as the voices of their companies. As a result, traditional company branding and digital marketing efforts are no longer sufficient. Especially in B2B environments, executive branding is now considered a necessity.”

– Steve Olenski and Kent Huffman, *Forbes*

Much of the motivation for the increasing importance of reputation management has of course been the rise in social media. Whereas in the past an executive might have been invited to make comment to print or broadcast media in response to an industry-related issue, the democratizing effect of social media enables business leaders to often bypass journalists and still have their voices heard. In short, content marketing and social media have provided plenty of space for executives to communicate, out of the episodic confines of legacy media. In our research, we found that 59% of all those surveyed said that they get updates on business leaders’ views via their social media feeds: evidence of the increasing growth in public-facing executive communications compared with the discreet and remote executive of the past.

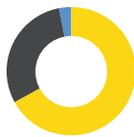
However, care needs to be taken. Consider Elon Musk. It is understood the head of Tesla handles his own social media, for which he has been criticized. It even impacted Tesla's stock after his recent [Aug/Sept 2018] outbursts on Twitter, leading analyst Gene Munster of Loup Ventures to say that it raised questions about Musk's efficacy: “They [Tesla] have such a great story to tell, and it's getting lost in this noise.” There are perils as well as benefits to a public face: another reason to think about training, or indeed bringing in a dedicated, expert resource to support executive social media outreach.

The Impact on the Bottom Line

How has/would following any senior brand/business executives influence you?



AGES 18-24



AGES 25-34



AGES 35-44



AGES 45-54



All Respondents

- Most Likely to Buy their Brand
- Neither More nor Less Likely
- Less Likely to Buy their Brand

At Qnary we see the development of a digital executive reputation as a business priority. It is no longer about fame generation or career development, but a core gain that influences corporate reputation and achieves tangible business results.

Given today's expanded media context, we believe that it is imperative for C-level executives to communicate a company's purpose and values to audiences both internal and external – just as marketing teams promote their brands while protecting and growing their value. Digital reputation is no longer a 'nice to have', it is now a 'must have'.

Online executive reputation is increasingly meaningful in the valuation of companies and in turn, influencing consumer choice. A 2016 survey titled "The CEO Reputation Premium: Gaining Advantage in the Engagement Era" estimated that 44% of respondents' company's market value was attributable to the reputation of their executives, suggesting that leadership is an investment that delivers a premium and contributes to market value.⁴ The research also suggested that almost half of a company's market value is attributable to reputational capital. Our view is that an excellent executive reputation has short, mid and long-term business gains.

In fact, our research showed a direct correlation between a company executive's social media influence and how likely a consumer is to buy a product from it in the future (or how likely they are to recommend that company to a friend). In our survey of 6,200 respondents we established some key factors:

- 1 | Almost two-thirds of our sample said they would be more likely to recommend a company or brand if they followed a company executive on social media.
- 2 | Respondents stated that a business executive's presence on social media positively influences their purchase decisions.
- 3 | They also said that if they follow a senior brand or business executive on social media, they would be more likely to buy from that executive's company.

⁴ Weber Shandwick, 2016

Strategic Imperatives for Leaders

1/3

Our survey revealed that over a third of all respondents are more inclined to buy from a company if the executive they follow on social media takes a public stand on social issues.

The obligation is clear – through their digital presence, a company’s leaders have an essential role in driving positive corporate reputation overall, and indeed in creating financial value. With this in mind, we outline four critical recommendations below that we believe will help shape digital reputation strategy for an organization.

Be an Activist

There is a business benefit to taking a stand. Our survey revealed that over a third of all respondents are more inclined to buy from a company if the executive they follow on social media takes a public stand on social issues. This was particularly pronounced in the UK, where respondents are more likely to buy from those companies whose senior executives do so. (Perhaps surprisingly, just three in ten Americans said they feel the same.)

If you were to follow a senior business executive on social media, how likely do you think you would be to recommend their brand or company?



AGES 18-24 AGES 25-34



AGES 35-44 AGES 45-54

- More Likely
- Neither Likely nor Less Likely
- Less Likely

Authenticity Counts (a Lot)

In our survey, we found that our UK respondents were the most cynical (23%) in that they were the most likely to think that online advocacy looks staged. However, they were also most likely (18%) to support the view that company advocacy should be led from the top, by the business leaders, perhaps indicating a strong sense of hierarchy, or indeed an understanding of the evolving role of the C-Suite. By contrast, in Australia, our survey found a degree of skepticism with only one-third of the sample saying a senior brand and business executive would influence them to be more likely to buy their brand. We anticipate that engagement will grow from this lower base, and it indicates a learning curve. Whichever mindset is prevalent, it's clear that all executive communications should be perceived as human and accessible in order to capitalize on the rich benefits that are possible.

Move Beyond the CEO

He or she may sit at the head of a company, but other C-level executives, of course, have influence and credibility and can become a valuable part of the company digital reputation portfolio. In fact, globally, more than four in 10 executives (44%) believe a company's reputation is influenced by management other than the CEO while over half of executives in reputable companies (56%) believe a company's overall reputation is affected by the reputation of the senior management team, as opposed to one-third of executives (30%) in companies with weak reputations.⁵

⁵ Weber Shandwick, 2016

"Millennials don't buy things—they buy into things. They are making decisions based on what a brand stands for."

Rick Gomez, CMO, Target

95%

In China, 95% of those surveyed there felt that following a senior executive would result in them being more likely to buy the brand.

2X

US respondents were twice as likely to not follow an executive if they disagreed with their position on social issues, versus respondents in the UK.

Be Sensitive to Demographic and Cultural Differences

There are specific generational and cultural differences to observe if one is to optimize business success. In our study, over seven out of ten Millennials were likely to recommend a company if they follow one of its senior executives on social media – but far fewer of the 45-54 age group felt the same. As digital natives, steeped in the interactions of social media, Millennials are more attuned to responding to companies online, and consequently, are almost twice as likely as the older consumers to be influenced this way.

Additionally, while there are significant global benefits to executive engagement, there are cross-cultural nuances and even substantial disparities in how people perceive and are affected by those messages. In our survey, China emerges as the country where an executive's online influence is arguably most closely associated with creating value: 95% of those surveyed there felt that following a senior executive would influence them to be more likely to buy their brand, perhaps a reflection of a cultural emphasis on loyalty and honor. The learning is evident though – be and remain vigilant to the moods and sensitivities of different regional and cultural groups.

Trends that will Shape the Future

All the evidence points to continuing growth in the importance of executive reputation, particularly digital reputation. The first-ever study of chief executive reputation was undertaken earlier this year, published by the Reputation Institute, whose chief research officer Stephen Hahn-Griffiths said we are living in a time when employees, clients and customers are actively seeking leadership, partly as a result of the absence of moral authority in the public sphere.⁶ In today's reshaped world, this reality is a cue for business leaders to step up, to build influence and moral weight and to leverage it to drive consumer engagement, purpose and profits.

Social media will continue to outpace traditional media

Much of the growing importance in and focus on executive reputation is due to the rapid expansion of social media, which gives customers and stakeholders unprecedented access to companies and their personnel. In our survey, we found that more people than ever rely on social media versus traditional media for updates on business leaders' views and that this was most common among 25-34-year olds (70%) and in China, where five in six people track business leaders' views via social networks. As publishers continue to struggle to thrive financially, and social media continue to not only drive the distribution of news but also how it is reported, we can only assume that an established digital reputation will become ever more vital for tomorrow's business leaders.

⁶ The Reputation Institute, "CEO RepTrak", 2018

25%

Women are 25% more likely than men to make choices about which business leaders they choose to follow online, based on an executive's standpoint – or lack of – on social issues.

Women leaders will help reshape executive reputation standards

A key finding in our study was that women are more likely to follow executives that have a sense of social and ethical purpose, with 25% of women more likely not to follow any senior brand and business executives on social media if they did not agree with their views on social issues (such as the environment, diversity and corporate social responsibility.) This finding indeed echoes that of another recent survey of female professionals in the tech industry that found that those women hold more positive views of CEO activism compared to their male peers.⁷

Today, female business leaders such as Facebook's Sheryl Sandberg and the former CEO of PepsiCo Indra Nooyi may gain disproportionate attention and following in part because they are female leaders in a male-dominated business. With fewer women in the C-suite than there should be, the pool for everyday people to choose whom to follow is smaller. However, as more and more women do rise through the ranks and deservedly enter the C-suite, it will be salutary to see how they become engaged as reputational pioneers.

Business environments will become increasingly humanized

The most highly regarded executives are trustworthy and ethical, scandal-free, media-friendly and fundamentally relatable. Less highly thought-of executives, we would argue, rank far lower on these aspects, often retreating to their comfort zone and focusing singularly on the bottom line in their personal positioning and communications. As human beings, we are built to seek out emotional connections with others, and the workplace or the broader corporate environment should be considered no different from our everyday lives. Companies that recognize this, enable a more human-friendly workplace and carry this approach through to their executive communications will retain the most productive, creative, and loyal employees, and invariably seize the competitive edge.

⁷ Weber Shandwick, CEO Activism: The Tech Effect, September 2018

Strategic communications at speed, and scale

Speed is an obvious benefit of social media, along with its ability to distribute key messages far and wide. Demand for public engagement from companies will only increase as more distribution channels develop and audiences continue to fragment. In this complex environment, it will be increasingly crucial for C-level executives to build an engaged audience and designate time for regular communication through social media. However, executives are busy. In order to achieve these goals in a strategic way and at scale, leadership should commit to investing in a digital reputation program across the enterprise and leverage SaaS technology to support the scaling of content development and publishing. The opportunity to map internal brand news, industry thought leadership and influencer engagement to individual executives and departments gives companies a new way of telling their brand story. It also supports the development of a culture that is based on empowering individuals to be true advocates for their organizations.

Digital executive reputation and employee advocacy will merge

Responding to expectations around greater transparency and authenticity in communications, companies will increasingly identify and shape digital narratives for multiple leaders in their organizations, based on their strengths and interests – their executive equity. Understanding who in a corporation is best suited to seek to engage people around which issues will be essential for communications success, externally but also internally. In fact, we believe that digital reputation management and employee advocacy will increasingly come to be seen as one: part of a new wave of ‘workforce advocacy’ that empowers employees and leaders to act as corporate communicators for their organizations on their personal social channels while aggregating their reputations towards a compelling whole. The sum will become more significant than its parts.

Cultural Context Matters

Social media may be a global phenomenon, but national, regional and cultural nuances should not be overlooked. For example, in our survey, we found that respondents in the US were more than twice as likely as those in the UK to decisively not follow a business leader if they disagreed with their position on social issues. The Spanish meanwhile were least likely to think employees should be encouraged to act as advocates for their employer via social media (curiously, only half as much as their Italian counterparts). Predictably, this is also true of the younger Millennial generation (18-34) compared to those aged 35 and over, as you would expect from 'digital natives'. Increasingly, these territorial and cultural factors will need to be heeded in company communications when seeking to engage employees and harness the power of their social networks.

The shift from growing audiences, to growing plus guarding reputations online

With every innovation comes new risk. As a society we have become more aware of the threats posed by hackers seeking to disrupt societal infrastructure in any way they can. Meanwhile, disgruntled former employees, company critics or competitors have also developed highly-targeted means to undermine individual reputations online. From the dissemination of home addresses and executives' family information to the leaking of internal company documents by inside sources, or the impersonation of business leaders on social media and other platforms, the potential downside to having a more public persona is of course the need to closely manage security issues. As with all potential crises however, the best tactics for avoiding many of these theoretical scenarios are proactive. This includes online monitoring of the company brand and executives' online presence, protecting their data to prevent identity theft and using encryption for online correspondence. Effective planning mixed with first-class technology and tools, provided by specialists like Qnary, will be key to guarding a company against any and all reputational threats in the digital space.

Conclusion: A New Ecosystem of Workforce Advocacy

There is a growing recognition of the importance of having a powerful digital executive reputation and an understanding of how it can be leveraged by business. Our 6,200 survey respondents proved that there is a growing interest and engagement with C-level executives, and showed that having a personal digital presence is a crucial company asset.

Our white paper notes that the ecosystem of executive reputation is changing fast, and while it was once perhaps about creating profile, authority or fame, it is now a dynamic tool that positively influences corporate reputation and drives business results. When managed in a strategic way, leveraging existing internal resources, SaaS technology and a coordinated approach across the enterprise, we believe that digital reputation has the opportunity to drive both business results and cultural change within companies dedicated to a more human and transparent work environment.

Research Methodology

The research was carried out online by Research Without Barriers – RWB. All surveys were conducted between 21st August 2018 and 28th August 2018. The sample comprised 6,219 people across Australia, China, Italy, Spain, UK and USA. Respondents were aged 18-54 and in full-time employment. All research conducted adheres to the UK Market Research Society (MRS) code of conduct (2014) and ICC/ESOMAR (international). RWB is registered with the Information Commissioner’s Office and complies with the DPA (1998).

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Thank You