Higher Value
Through Higher Performance

Findings from quantitative research on talent development and

management in communication

upper⁹⁰|_consulting_

DEPAUL UNIVERSITY

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Globalization, new technologies and other factors are changing the nature and practice of communications.

At for-profit businesses and not-for-profit organizations, communications professionals are adopting new tools, such as apps, big data, and social media, to engage with internal and external stakeholders.

These tools are altering some of the skill sets and capabilities communicators need to be effective. This, in turn, is impacting the way leaders attract, organize, develop, and retain communications talent – all at a time when CEOs are expecting higher performance and greater business value from all functions, including communications.

PURPOSE

To better understand the implications of these developments on communications talent and performance, upper 90 consulting and DePaul University partnered on a quantitative survey at the beginning of 2015. Senior communications leaders at for-profit companies and some not-for-profit organizations completed an online survey examining functional roles, emerging skills, and talent management/development practices.

This report summarizes key findings from this survey and provides some recommendations for communications leaders to consider as they strive to drive higher individual and team performance.

We invited a total of 358 senior leaders in communications to participate in an online survey during January-March, 2015. A total of 83 (23%) respondents participated, with some questions receiving more responses than others. The questionnaire was tested in advance with about 10% of participants.

Respondents hold the most senior roles in a wide range of businesses and organizations. More than 80% have worked in communications for 20+ years, and 84% hold the Vice President, Senior Vice President, Executive Vice President, or Chief Communications Officer title. For more details, see the Respondents section later in this report.

The quality and variety/distribution of respondents is high. The total number of respondents is fairly consistent with other studies involving top-level communications leaders, who often are too busy to respond to all of the research survey requests they typically receive.

Context

For context, we asked a series of questions about the enterprise role, primary responsibilities, and performance of the communications function, along with current talent management and professional development practices. We gained several insights and offer some observations about the implications of these for the communications function:

01

CCOs and their team members think their work has high importance for their organization's overall success – but do not think that their board directors and peers fully share that view.

CCOs[1] and their team members see their department's work as very or extremely important to their organization's overall success, relative to other functions. They acknowledge, however, that their board members and functional peers may not completely share their assessment.

Observations
More CCOs today have a seat at the leadership table. According to studies[2], nearly half of CCOs report (solid or dotted line) directly to the CEO or equivalent and most are members of their organization's senior leadership team. Naturally, communicators see their work as integral to the overall success of their organization. But while peers and superiors also see the function as important, they discount that importance somewhat. This data reinforces the view that there's more work for CCOs to do in demonstrating the strategic importance of communications.

02

CCOs want to do a better job of quantifying and proving the success and value of their function.

CCOs say the success and value of their department is determined by multiple factors. They believe their teams are performing especially well on issues/crisis management and internal client service. They see room for improvement with hiring/retaining high-performing talent, promoting corporate culture, achieving enterprise goals, and creating innovative new communications tools. But CCOs show some concern that their teams are not performing at their best when it comes to increasing employee engagement and engaging stakeholders via social/digital media.

Observations
Organizations have different goals and needs, so it follows that the success and value of their communication departments will hinge on multiple outcomes or factors. It's vital for CCOs to be clear about what success and value look like for their function in their organization at a particular point in time – and, as much as possible, to ensure those outcomes are part of corporate performance metrics. There are apparent needs to improve communications talent, increase employee engagement, and more fully engage stakeholders.

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[1] For simplicity, we use "CCO" in this report as a proxy for this study's respondents, typically the senior-most communicator in their organization.
[2] USC Annenberg School for Journalism and Communications, GAP VIII study, June 2014

Context (continued)

03

More than 40% of CCOs are contemplating significant changes in the talent on their teams.

About a quarter of CCOs say they have the right people in the right roles, and a third would like to have a few more people to fill existing, open positions. However, a third of CCOs believe they need different types of people to fill new/different positions, and nearly one in 10 CCOs wants to dramatically redesign her/his team, bringing in people with very different skill sets.

Observations

There has been considerable recent discussion about the changing skills communicators need to succeed, today and tomorrow. This finding suggests that there will be substantial change ahead. Several initiatives are underway at the Arthur W. Page Society and other communications organizations to define critical skills for the future communicator.

04

Many CCOs expect their operating and staffing budgets to increase in the next year.

About a third of CCOs expect their department's operating budget to increase in the next fiscal year, and half think budgets will stay the same. A higher number (44%) of CCOs expect the staffing (salaries, wages and benefits) component of their operating budgets to increase and half expect those budgets to stay the same.

Observations

This optimism is encouraging for communicators. It's also fairly consistent with data in other studies[3] and reflective of the general economic conditions, especially in the United States, where most of our respondents are based. Stable and rising spend could also be a sign that organizations see growing strategic value in their communications function.

01 in 10

CCOs WANTS TO DRAMATICALLY REDESIGN HER/HIS TEAM

[3] USC Annenberg School for Journalism and Communications, GAP VIII study, June 2014

Staff training and development

We also asked a series of questions about operating expenditures, including staff training and development. Here are some of the key insights, with some observations on their potential implications:

01

Spending on staff training and development and program measurement/ evaluation continues to lag well behind spend on program implementation and agency/consultant fees and expenses.

After staffing costs (salaries, wages and benefits) have been covered, CCOs said most of their remaining budget is spent on implementing programs and activities and fees/expenses for outside agencies and consultants. CCOs spend 26-50% or more of their remaining budgets on implementing programs. Spend on agency/consultant fees (often for program implementation) takes the next largest chunk of remaining budget – from 11-25% on average. This leaves less than 25% of the remaining, non-staffing costs for staff training and even less for program measurement.

Observations
As noted in earlier, more than 40% of CCOs are looking to change the composition of talent on their teams. At the same time, many CCOs are expecting increases in their operating budgets (about a third) and staffing budgets (44%) in the next fiscal year (point 4 above). With more and different communicators using new and different tools, it would stand to reason that a larger portion of budgets would need to be spent on retraining and developing existing staff. We wonder whether CCOs are adequately investing to attract and grow the people they will need to succeed in the future.

02

Staff training and development budgets appear to be spread wide and, most likely, thin.

External training/development programs get the most funding, closely followed by memberships in professional organizations and internal training. Less is spent on coaching/mentoring and magazines, books and other publications.

Observations
This makes us wonder whether this wide spread of a relatively small part of the communications operating budget is holding back team performance – and, by extension, perceptions of the value of the communications function. In the short-term, by concentrating more of their limited funds in one or two areas, CCOs may be able to stretch their spend with greater impact.

Staff training and development (continued)

03

CCOs are unhappy with the quality of current staff training and development programs/activities available to them – and more than 70% are not planning to invest more in this area during the next fiscal year.

Nearly half (49%) said they were dissatisfied or very dissatisfied with the quality of training and development programs available inside and outside their organizations. About a quarter were satisfied or very satisfied and a quarter were neutral. About a quarter are planning to increase their spending on such programs, while 72% will keep staff training and development spending level in the next year.

Observations

This is an area to watch closely in coming years. On one hand, CCOs are under pressure to grow high-performing teams that bring ever-greater value to their organizations. Many CCOs are planning to spend more on staffing in the next year, and about 40% of CCOs are looking to change the composition of talent on their teams. On the other hand, talent development budgets are spread wide and thin – and dissatisfied with their internal and external staff training and development options, most CCOs (72%) are planning to keep spending flat in this area in the coming year. Perhaps they don't want to throw good money at inadequate training/development programs. But longer-term, something has to give. Unless CCOs push (internally and externally) for the development of better training options, they could face greater under performance and reduced stature in their organizations.

More than 70%

OF CCOs ARE NOT PLANNING TO INVEST MORE IN TRAINING AND DEVELOPMENT DURING THE NEXT FISCAL YEAR.

Moving foward

Finally, we asked several questions about talent management in the future, including skill sets, performance drivers, and functional direction. Here are the key insights and observations:

01

Management/leadership skills and interpersonal skills will be just as important as technical skills for communications professionals in the next 3-5 years.

CCOs expect their team members to be rounded professionals. Communications skills (e.g., writing, presenting, social media, design, etc.) remain important foundations, but CCOs rated the other two skill sets almost as high in importance. Examples of management/leadership skills included process management, running effective teams, hiring, and adapting to change. Examples of interpersonal skills included listening, perseverance, collaboration, and organizational savvy. Overall, international skills (e.g., global knowledge, cross-cultural sensitivity, humility, international resourcefulness, etc.) were seen as valuable but secondary to the other skill sets.

Observations
There is growing recognition that communicators must have business acumen to be effective. Business acumen is more than knowing how to read a balance sheet; it includes a deep understanding of the organization's finances, products, supply chain, intellectual property, technology, and more. For communicators, it won't be enough to be an expert in communications strategies and tactics. They must know how to manage and lead others and how to interact up, down, and across their organizations if they are to become trusted advisors and valued colleagues.

02

To drive higher team performance, CCOs should focus on excellence in two areas – clarifying department goals and priorities and recognizing performance against those goals/priorities.

CCOs agreed on three items as having the most potential to drive high performance on their teams: recognition for performance, written department strategy goals and priorities, and communications about department priorities/performance. At the bottom of the list, CCOs cited membership/participation in professional and business organizations, overseas work assignments, and salaries and bonuses.

Observations
People at all levels and in all roles crave clarity around two things – direction (setting goals and communicating progress against them) and recognition (acknowledgment for a job well done). Clarifying direction and recognizing performance costs little or nothing, yet has a huge impact on performance. Money (salaries and bonuses) fell to the bottom of the list of performance drivers.

Moving forward (continued)

03

In addition to having written strategic goals and priorities, communications departments should also articulate their department's vision, mission, purpose, values, and competencies.

Most respondents said their departments have written statements of departmental strategic goals and priorities. Fewer, however, said they have written vision, mission, purpose, values, and competency statements, and respondents thought these additional expressions of direction and culture could be very or extremely important to the department's success.

Observations
To be effective leaders of high-performing teams, it's not enough to have annual department goals and performance reviews. People at all levels want to see the bigger picture – for example, where we aspire to be as a team three years from now. They want greater purpose and meaning in their work – deeper reasons, beyond collecting a paycheck, to work each and every day. They also want clarity around what behaviors they need to demonstrate to succeed in their roles – the values their department holds high and the skills or competencies that define high performance in each role and level. These must be explicit and alive to drive higher performance.

Greater clarity

PEOPLE WANT CLARITY AROUND WHAT BEHAVIORS THEY NEED TO DEMONSTRATE TO SUCCEED IN THEIR ROLES

Additional insights

To gain more understanding, we used correlations, cross-tabs, and regression analyses that revealed these additional insights:

01

Others' opinions about communications' value to the organization has a direct relationship with how satisfied communication leaders are with their current staffing.

02

If the CEO is seen to value corporate communication, the department's annual budget is expected to increase or at least stay the same. The same applies for annual staffing and training.

03

CCOs with smaller teams tended to be more dissatisfied with their training/development options and more inclined to overhaul the talent on their teams.

> **Observations**
> These points show the self-reinforcing nature of performance. High-performing teams are seen to be more valuable to the organization and, therefore, attract greater resources. This is why it's vital for CCOs to optimize the performance of their team members.

Smaller teams

TENDED TO BE MORE DISSATISFIED WITH THEIR TRAINING/DEVELOPMENT OPTIONS

Findings

These findings underscore several opportunities for CCOs to elevate the performance and importance of their function:

01

Define value – then deliver, measure, and prove it.

It's important for CCOs to build an agreed definition of value for their function, then to make sure their teams consistently deliver against it. Measures tied directly to that definition help to demonstrate value delivered.

02

Given the impact of new tools and skills, drive the change you wish to see.

More than 40% of CCOs are planning to make significant changes to the talent on their team. Nearly 10% are talking about massive change in this area. As leaders in their organizations, CCOs are expected to look over the horizon and take immediate, deliberate, and thoughtful steps to identify, attract, and integrate new types of talent on their teams.

More than 40%

OF CCOs ARE PLANNING TO
MAKE SIGNIFICANT CHANGES TO
THE TALENT ON THEIR TEAM

03

Make talent and performance a top priority.

Business and communications are rapidly transforming. Past approaches to developing communications talent – a conference here, some internal training there, provided there's some budget left over – won't elevate team performance quickly enough. In addition to helping new types of talent fit into the team, CCOs must look for smarter/better ways to "upskill" existing team members who already bring institutional knowledge and culture fit to the table. CCOs need to carve out funding for professional development at the same time they push for more compelling, relevant training options to be developed. Fortunately, with department budgets stable or growing, there's more money for this.

04

Develop business leaders, not just communicators.

Financial acumen, operational insight, organizational savvy, and management/leadership skills are just a few of the critical competencies that now distinguish good communicators from trusted business advisors. Communicators in business-facing roles can elevate the value communication brings by knowing how to operationalize ideas and initiatives. CCOs should look to grow the interpersonal and management/leadership capabilities of their team members, not just technical communications skills.

Findings

As noted in the methodology section, most respondents to this survey were the senior-most communications leader in their company or organization. More than 80% have worked in a communications role for 20+ years.

01

Respondents said they work for a:

- Publicly listed company (63%)
- Private, for-profit company (19%)
- Not-for-profit organization or foundation (19%).

02

Respondents said their companies/organizations operated mostly at a:

- Global level (60%)
- National US level (26%)
- Regional US level (12%)

03

Respondents said annual revenues at these companies/organizations were:

- Less than $1 billion (21%)
- $1-5 billion (14%)
- $5-10 billion (21%)
- $10-20 billion (19%)
- $20-40 billion (16%)
- Over $40 billion (9%)

More than 80%

OF THE RESPONDENTS HAVE WORKED IN A COMMUNICATIONS ROLE FOR 20+ YEARS

Mark Bain, upper 90 consulting

upper 90 consulting is a talent and performance practice that helps leaders and their teams adapt, grow, and excel. It primarily works with senior professionals in corporate communications and other functions, offering three primary services: a) culture-driven programs for higher performance in companies and functions; b) functional assessments and organization design; and c) professional development/training. Mark Bain is upper 90's President. For more information, visit www.upper90consulting.com

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