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The Chief Executive Officer's Internal Communication Role: A Benchmark Program of Research

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PART I

RESEARCH REVIEWS
Organizational communication and public relations researchers and practitioners have long been concerned with the effects of management communication on employee attitudes and organizational performance. This concern has sparked considerable research on the influential role of the immediate supervisor on the effectiveness of the manager–employee communication relationship. For many years, research focused exclusively on this immediate supervisor–subordinate association.

A facet of management communication that researchers have largely overlooked, however, is the special role of top-level management—namely, the chief executive officer (CEO)—in the organizational communication process. The emergence of early research efforts on top management communication appears to parallel society’s growing interest in CEOs’ professional and personal lives. This elevated attention on the CEO has no doubt been fueled by the increased public exposure of CEOs as authors, advertising personalities, talk show guests, and media spokespersons.

Rising concern with the importance of the CEO’s internal management role was highlighted in a recent Fortune magazine cover story on the “trust gap” existing between CEOs and their employees, and the pressing need for CEOs to come out of their offices and get in closer touch with workers’ attitudes and concerns (Farnham, 1989).

The public’s and business media’s increasing fixation with CEOs has consisted mostly of anecdotal information. Relatively few scholarly investigators have launched empirical research projects into the nature, scope, and impact of the
CEO's communication role. A small body of research exists on how employees perceive top management communication activities, but to date no systematic efforts have been reported on how CEOs view and practice their own internal communication role.

This article reports on a two-part program of exploratory research on CEOs' views and self-reported practices of their internal communication role. This effort, guided by a new top management communication model and designed as a precursor to more systematic theory-building research, consists of longitudinal data collected in two recent national studies of CEOs of large American companies. Through this developmental research, we hope to better describe the phenomenon of CEO communication in order to, as J. Grunig (1978) argued, use those descriptions "to model the phenomena and eventually build theory which can be used in a wide range of public relations situations" (p. 4).

The manuscript begins with an analysis of the relevance of CEO communication to public relations. This is followed by a comprehensive review of prior research on the effects of management-employee communication. Then, guided by a top management communication model developed by two of the authors, the research questions are outlined. The next section outlines the methods used to collect the data. This is followed by a presentation and comparative analysis of key findings from each study. We then discuss the implications for development of public relations theory and CEO internal communication strategies. And, finally, an agenda for future research on CEO and top management communication is forwarded.

RELEVANCE TO PUBLIC RELATIONS

Internal Communication and Public Relations. As recently as 10 or 15 years ago, many public relations professionals and researchers might have defined public relations as being primarily an externally focused communication function (e.g., media, customers, government). Today, however, the practice of public relations appears to naturally encompass both internal—commonly referred to as organizational or employee communication—and external communication systems (Grunig & Grunig, 1989). Indeed, a cursory analysis of some of the major public relations textbooks (e.g., Cutlip, Center, & Broom, 1985; Grunig & Hunt, 1984; Newsom & Scott, 1985; Seitel, 1989; Wilcox, Ault, & Agee, 1989) reveals that portions of several chapters are normally devoted to discussing strategies for communicating with publics within organizations.

Common to the internal and external relationship-building of contemporary public relations is the concept of managing communication systems. Grunig and Grunig (1989), for example, maintained that "public relations is organizational communication," yet they argued that organizational communication inherent in
public relations is "managed communication" as opposed to the unplanned, informal "communication behaviors that occur naturally within an organization (i.e., without the intervention of a communication professional)" (p. 28).

This notion is central to Crable and Vibbert's (1986) definition of public relations, which they argued contains two essential variables: "communication and management" (p. 9). They proposed that communication management is the process through which an organization maintains relationships with its key internal and external publics. They suggested that public relations involves two different kinds of communication—task and enabling. Task communication involves the formal process of producing and sending written, oral, or action-oriented messages (e.g., newsletter, videotape). Enabling communication, however, is less formal and is designed to help create the appropriate climate for task communication to be effective (e.g., a staff meeting of key employees to plan a new company-wide program).

The Vital Role of the CEO. Communication management, then, seems to be the linchpin between public relations and internal or organizational communication. A long-accepted principle in public relations (and organizational communication) is the need for "management's" approval and participation. Relatively little attention in public relations textbooks or research has been given to the single manager whose approval is essential to all organizational activities: the CEO. The CEO's support of and participation in public relations programs, both internally and externally, are vital. As a management function, public relations is an extension of the CEO, the top communicator of the organization. Obviously, if the CEO doubts the value of public relations, the function will receive little funding or support from top management—and efforts are likely to be ineffective.

The CEO, because of his or her standing and unique organizational vantage point, is, as Crable and Vibbert (1986) might argue, the key "enabling" communicator; that is, the CEO creates the appropriate context in an organization so that the public relations department can effectively manage the communication systems. This enabling role appears to loosely parallel the environment-enhancing "manager" or "process facilitator" roles described in the public relations roles research (e.g., Broom & Dozier, 1986).

Fortunately, CEOs today seem to be increasingly supportive of public relations and, at the same time, appear to recognize the power of their personal involvement in the communication process. For instance, Phillip Hawley, CEO of Carter, Hawley & Hale, says that "our ability to communicate effectively, as opposed to just communicating, makes a big difference in the results . . . and that is true internally as well as externally" (Steiner, 1983, p. 56).

In summary, public relations involves the management of communication with publics inside and outside organizations. This paper focuses on the internal communication process and the importance of the key manager's—the CEO's—special role in that process. We begin with a review of prior research on management communication.
MANAGEMENT COMMUNICATION RESEARCH

The research program reported here grew out of our in-depth examination of the body of management communication research. Early research attention on the first-line supervisor's communication effectiveness has gradually spread upward to include upper level management's role in the organizational communication process. Our desire to understand how all managers view and play their communication roles served as the backdrop for this literature review.

This review comprises three sections: (a) immediate supervisor-subordinate communication, (b) top management communication, and (c) CEO communication. Prior research on these topics was obtained through a comprehensive computer-assisted investigation of all relevant academic and popular data bases within the fields of communication, business management, psychology, organizational behavior, and sociology.

Immediate Supervisor—Subordinate Communication

The thrust of most research on management communication effectiveness has been on the immediate supervisor-subordinate communication relationship, and its impact on subordinate work attitudes and behavior. A large and varied body of studies has shown that different types of superior-subordinate organizational communication—including a range of both information flow and relationship-building variables—are positively related to employee job satisfaction (Falcione, Daly, & McCroskey, 1977; Goldhaber, Porter, Yates, & Lesniak, 1978; Jablin, 1979; Pincus & Rayfield, 1989; Richmond, Wagner, & McCroskey, 1983). For example, in Goldhaber et al.'s (1978) state-of-the-art review of organizational communication, one of the key predictors of employee job satisfaction was found to be an employee's communication relationship with his or her immediate supervisor.

Another substantially smaller group of studies has revealed a positive relationship between immediate supervisor-subordinate communication and subordinate job performance or productivity (Daly & Korinek, 1982; Hellweg & Phillips, 1981; O'Reilly & Roberts, 1977). Findings from these studies, however, are somewhat less consistent, probably due to the inherent complexity of the productivity-performance variable.

A serious limitation in this body of literature is the absence of clear-cut definitions of various terms used to denote management communication. Although the meaning of immediate supervisor is relatively clear, other terms used in reported research, such as superiors, managers, or management, are too broad to interpret or lack common definitions. As a result of this definitional void, it is difficult, if not impossible, in most studies to pinpoint differences among various levels of management. This is not surprising, because most studies did not seek to compare findings between levels within the management hierarchy. Nevertheless, in Pincus and Rayfield's (1989) metaresearch analysis of the communication-job satisfac-
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In their examination of the relationship, they concluded that despite varying definitions, "a consistent and strongly positive relationship" exists between an employee's job satisfaction and an employee's perceptions of the immediate supervisor's credibility, communication activities with the supervisor, and the supervisor's receptivity to employee participation in decision making (p. 194).

Top Management Communication

Rising Concern. Research interest in the supervisor-subordinate communication relationship remains strong today. Recently, however, that interest has begun to extend to the influence and role of upper levels of management on the organizational communication process. Perhaps not coincidentally, this surge of research activity parallels mushrooming public exposure to and interest in top managers, especially the CEO. This trend is reflected, for example, in CEOs' increasing spokesperson roles in company advertisements (e.g., Chrysler, Wendy's, American Airlines), the growing spate of books on and by successful CEOs (see e.g., Horton, 1986; Iacocca, 1984; Levinson & Rosenthal, 1984; Morita, 1986), and CEOs' increasing openness to accommodate business media requests for interviews and appearances on business-oriented TV/radio talk shows.

The CEO's View. CEOs themselves appear to have recognized and, to some extent, accepted—at least conceptually—the importance of top management's communication role. Although Barnard (1938) argued some 50 years ago that a top executive's first responsibility is to develop and maintain a communication system, his message was largely ignored until the 1970s. Within the last 20 years, however, researchers and top managers alike are discussing openly the external and internal communication activities of upper management.

In 1977, for example, Hamley pointed out that internal communication had become a "major top management responsibility relating directly to the success and survival of the organization" (p. 8). Former Sperry Rand Chairman and CEO J. Paul Lyet has called communication "one of the most important facets of my job" (1978, p. 18). Added former Dupont CEO Irving Shapiro, "... a CEO is first and foremost in the human relations and communication businesses. No other item on the chief executive's duty list has more leverage on the organization's prospects" (1984, p. 157). And retired General Motors Chairman Roger Smith maintained that communication "should be treated with as much thoughtful planning and attention as quality, finance, engineering and manufacturing" ("Our Top People Need Help," 1985, p. 7).

Top managers also appear to be increasingly cognizant of the importance of effective communication in meeting their own objectives. Harold Burson, president of Burson-Marsteller, emphasized that point: "The communications process has become recognized by the CEO as absolutely critical to the accomplishment of his mission" (Horton, 1986, p. 189). More specifically, Pincus and Rayfield
Pincus, Rayfield, Cozzens (1985) have argued that the top manager's key responsibilities as chief communicator include: (a) serving as "the catalyst in forming an organization's communication philosophy and style" (p. 1071), (b) establishing management's credibility with employees, (c) creating forms of two-way communication that foster trust, and (d) selecting the "right" communication medium for each situation.

Top Management and Job Satisfaction. Several studies in the early 1980s revealed a link between employee perceptions of top management in general (no special focus on communication variables) and employee work attitudes. Although these researchers did not set out to explore the implications of top management's communication responsibilities, the importance of these responsibilities nonetheless surfaced in their reported findings.

Ruch and Goodman's (1983) study in 1972-1973 of 3,500 General Motors hourly employees from 14 different U.S. plants was one of the earliest efforts to identify any differences in how employees view various levels of management. In addition, their findings uncovered empirical evidence—apparently for the first time—linking employee perceptions of upper management to employee job satisfaction. The researchers found that employees responded differently to questions that used the word supervisor than to questions that used foreman. According to Ruch and Goodman (1983), employees did not "consider management to be a single entity" (p. 15). And, after analyzing dozens of demographic and work factors, they concluded that employees' perceptions of top management had the "single greatest impact on worker job attitudes . . ." (p. 16).

Ruch and Goodman (1983) cited similar findings from two other studies. Sen found among AT&T employees and Holtfreter found among professional employees of an international accounting firm that employees' attitudes toward top-level management had the single most influence on positive work attitudes.

Employee Views of Top Management Communication. Despite Ruch and Goodman's (1983) revelation some 20 years ago of top management's distinctive communication role, relatively little empirical research attempting to explore the relationship between top management communication and key employee effectiveness variables, such as job satisfaction and job performance, has been reported. The pace of research related to this topic has picked up markedly since the mid-1980s, however.

Several early studies offered signs of employees' perceptions of top management's unique communication role. For instance, in a study of perceived dimensions of job satisfaction among nurses, Everly and Falcione (1976) found that the most influential of four factors was relationship orientation. Interestingly, the loading for relations with general supervisory personnel was equal to that for relations with fellow workers and higher than that for relations with immediate supervisors. And in a 1979 study of communication consistency and job performance, Penley and Hawkins (1979) found that when communication from top management and
immediate supervisors was consistent, positive employee performance could be predicted. Several later studies of management communication effectiveness revealed evidence of a statistically significant association between employees' perceptions of top management communication and employee job satisfaction and performance. In Pincus's (1986) study of hospital nurses, findings demonstrated empirical support for the top management communication-employee job satisfaction link. Canonical correlation analysis showed that the strongest influences on nurses' job satisfaction and job performance were first and foremost employee perceptions of immediate supervisor communication, followed by employee perceptions of top management communication. He concluded that these results did not lessen the importance of the superior–subordinate communication relationship, but revealed "the emergence of a second, somewhat different vertical organizational communication relationship" (p. 414).

Two later studies added support to and expanded on Pincus's (1986) initial findings of a top management communication-job satisfaction relationship. Heng (1988), in a study of 545 line and management employees at a semigovernment agency in Singapore, explored the relationship between communication satisfaction and job satisfaction among employees at all levels within the organization. Correlation analysis revealed a positive, significant association between employees' perceptions of top-level managers' communication activities (trust, openness, and participation in decision making) and employees' overall job satisfaction. This relationship was strongest among junior staff members, weakest among mid-level staff, and moderate among senior staff members. These findings seem to suggest that employees at various levels in large organizations have varying communication needs.

In a 1985 study of the communication climate-job satisfaction relationship among bank supervisory employees, Pincus, Knipp, and Rayfield (1990) found via factor analysis that a new factor, which they termed "organizational trust and influence," was most responsible for explaining supervisors' job satisfaction. This new factor—formed from items related to employees' perceptions of top management communication and participation in workplace decisions—explained most (three fourths) of the variance in employee job satisfaction. Superior–subordinate communication accounted for most of the remaining variance. This finding among first-line managers was in stark contrast to prior research results, which have consistently reported immediate supervisor–employee communication as the driving influence on employee job satisfaction. The researchers suggested that as employees rise in organizations, their "desire for communication with top management may increase" and they may need more information about their organizations, which "frequently emanates from top-level management" (p. 185).

A Management Communication Model. The residue of these various studies suggests that employees' views of and need for communication with management
are complex. Employees at different levels within an organization may expect a different type of communication relationship with upper management. For example, a line employee and a mid-level manager in a large organization are likely to each want and need different types of information from and relationships with successively higher levels of management.

In addressing this notion of employees' varying communication needs and preferences, Pincus and Rayfield (1986) have proposed a "Top Management Communication Outcomes" model (see Fig. 1.1). In this model, the researchers hypothesize that employees prefer to receive information about the organization (e.g., future plans, policies) from top-level management and information about their jobs (e.g., performance feedback) from their immediate supervisors. The model further suggests that these varying and complex communication relationships, if healthy, will generate somewhat different, yet positive, outcomes. For instance, the top management–employee relationship is portrayed as mainly affecting organization-wide factors such as morale and productivity. In contrast, the immediate supervisor–employee relationship is presented as most directly influencing individual job-related outcomes such as job satisfaction and turnover. The dotted lines in the model depict the transactional nature of the effects of each communication relationship on the other, which may highlight the need for thoughtful communication management.

From a public relations perspective, the implicit underlying notion of this model is that managed two-way communication will enhance management–employee relationships. This model helped establish the questions that guided our research (see Research Questions section).

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**FIG. 1.1.** Top management communication outcomes model. Source: Pincus & Rayfield (1986).
What Employees Want from Top Management. A number of different general employee communication surveys have been conducted by management consulting firms since 1980. When viewed together, these survey findings tend to confirm Goldhaber et al.’s (1978) conclusion that information from top management is “of lower quality than that from other key sources” (p. 84). More precisely, employees have consistently indicated dissatisfaction with the amount, quality, and candor of top management’s communication efforts. The thrust of these research activities suggests that employees want a closer, more open communication relationship with top managers, particularly with CEOs (Foehrenbach & Rosenberg, 1982; Gildea, 1981; Ruch & Goodman, 1983; Special Report, 1983; Wyatt Report, 1986).

Employees report that top management does not communicate with them as much as they would like. In a 1980 survey of some 45,000 employees in 40 United States and Canadian organizations, conducted by the International Association of Business Communicators and management consulting firm Towers Perrin, respondents ranked top executives 12th among 15 current sources of information. In contrast, top executives were ranked as the third most preferred source of information, after immediate supervisors and small group meetings (Gildea, 1981). This study was repeated 2 years later among 32,000 employees and the results were largely the same. Researchers, therefore, concluded that “employees’ perceptions of top management are very closely linked to their overall perceptions of the organization as a place to work and the general state of morale” (Foehrenbach & Rosenberg, 1982, p. 7).

As a result of top management’s infrequent communication with workers, employees view upper-level executives as increasingly isolated from and insensitive to their concerns. This was highlighted in a 1982 special report on human resource management compiled by Opinion Research Corporation (ORC). The research team found that employees were dissatisfied with their companies in general and with top management in particular. And in comparing 1982 worker attitudes with those of the late 1970s, ORC reported that employees believed top management had become more isolated from them and less responsive to their needs (Opinion Research Corporation, 1983).

More recently, the Wyatt Company, a management consulting firm, and ORC surveyed 1,200 executives in the United States on the state of their formal employee communication programs. When asked to rate the quality of communication between senior management and employees at other levels within their organizations, responding executives reported progressively lower quality communication moving down the hierarchy from middle management to supervisors to nonmanagement. The second most desired major change reported by employees was for increased communication with senior management (“Wyatt Report,” 1986).

The essence of these survey findings highlights the existence of a “communication gap” between top management and employees. Employees consistently report dissatisfaction with both the quantity and quality of communication with upper
levels of management, particularly concerning the two-way aspects of the communication process. Simply put, employees appear to desire more open, more frequent, and more give-and-take communication with their top managers.

**CEO Communication**

The thrust of research on the top manager's or CEO's communication role is based on how employees perceive this role. Empirical research on how CEOs view their internal communication role is practically nonexistent. Clearly, if we are to better understand this "communication gap" between employees and top managers, then we need a more complete picture of each party's attitudes and behaviors concerning the communication process.

Most prior research on how CEOs view their particular role is anecdotal, most often based on a handful of interviews, and makes little, if any, effort to investigate the communication components of the CEO's management responsibilities. For instance, a number of management researchers (Barmash, 1978; Mintzberg, 1973; Shook, 1981) have explored how CEOs view their management roles in general, usually focusing on factors such as use of time (Mintzberg, 1973), views on power (Nader & Taylor, 1986), reflections on key business decisions (Lamb, 1987), and thoughts on corporate leadership (Levinson & Rosenthal, 1984). Several broad-based surveys of CEOs have been conducted during the past 15 years, but they too have, at best, touched communication issues only superficially (Bonfield, 1980; Godiwalla, Meinhart, & Warde, 1979; Lahiff & Hatfield, 1978).

But because most traditional management texts do not identify communication as a key function of management, most management researchers have not asked CEOs about their communication activities. Our knowledge, then, of how CEOs view their communication role—internal or external—is based largely on speculation and isolated anecdotal information.

One study serves as an exception, however. In 1984, Grubbs studied 97 "Fortune 500" CEOs' external communication practices, including areas such as target publics, activities, electronic information technologies, and media. This work offered a useful early profile of how CEOs of America's largest organizations practice their communication role with audiences outside their companies. Simply put, Grubbs found that CEOs see themselves as needing to be active communicators and that their communication with external publics follows certain patterns. For example, she reported that: (a) CEOs communicate most frequently with professional colleagues, customers, and stockholders; (b) they rely most heavily on conventional oral and written media, such as letters and telephone; and (c) their most active personal participation in communication activities includes civic/community organizations, speaker at public events, and attendance at professional conferences. Although quite revealing, these data on CEOs' external communication behavior did not explore CEOs' deeper beliefs about CEO commu-
The Research Questions

Our analysis of the largely anecdotal body of literature revealed how little we know about the nature and impact of the CEO's internal and external communication roles. Most prior research on CEOs has not sought to investigate the human resource management or communication aspects of the top executive's job. Nevertheless, our assessment of contemporary communication and business publications suggests that interest in and the potential impact of CEOs as leaders, managers, and public spokespersons have grown substantially. Yet, despite the emergence of the CEO as a public figure and as an object of research, the body of reliable, empirical data on the CEO's corporate communication role is scarce. Analysis of the extant literature suggested four major areas needing additional research:

1. Top managers' increasing sensitivity to the importance of their organizational communication role.
2. Employees' perceptions of top management's communication efforts and their impact on employees' job satisfaction.
3. Employees' desire for distinctive communication relationships with different levels of management.
4. Despite employees' general dissatisfaction with top management communication, employees want more frequent and better quality communication with upper management.

Our focus is on the first area. Data on the CEO's internal communication role are meager, and are largely based on how employees see the CEO as communicator. At this point, we know very little about how the CEO sees his or her role as communicator. Are employees' and CEOs' perspectives on the CEO communication role similar or different? Understanding the nature of the "gap" between CEOs' and employees' viewpoints should eventually help pinpoint changes needed to enhance the organizational communication environment.

This line of research sought to learn how CEOs feel about and practice their internal communication role. Because there was virtually no body of prior research on the subject, these initial efforts were exploratory in nature. As such, both studies were guided by the same set of general research questions.

Reliance on a Guiding Conceptual Model. These research questions, however, grew out of some of the assumptions rooted in Pincus and Rayfield's (1986) "Top Management Communication Outcomes" model noted earlier (see Fig. 1.1).
This model posits that employees prefer to have different types of communication relationships with upper and lower level managers. In other words, employees see various types of management as fulfilling different communication roles. As yet, however, no research has uncovered data revealing how managers, particularly the top executive, see management's internal communication responsibilities and how their views may differ from employees'. The model argues, in broad terms, that one of top management's key communication objectives should be to provide information to employees on organization-wide issues and that immediate supervisors' role is to generate job-related information. The model does not distinguish between the CEO's internal communication role and that of other top- or mid-level managers. And it is based, to a large extent, on employees' information needs, and does not formally consider other noninformation aspects of a manager–employee communication relationship (e.g., two-way communication, perceptions of source credibility).

The model was not formally tested as part of this research. Nevertheless, components of the model served as a valuable guide in conceptualizing the research focus and generating specific research questions. Most importantly, however, this model, in our view, offers a framework on which to build more solid theory—beginning with data reported here (see Discussion section).

Our interest was in probing CEOs' perceptions of their internal communication responsibilities and analyzing how those perceptions square with their reported communication practices.

The three core questions and their accompanying subquestions that directed our studies were:

1. **What are CEOs' attitudes toward the nature and impact of their internal communication role?** (a) To what extent do CEOs believe their communication activities positively influence employees and the organization? (b) To what extent do CEOs believe their internal communication role is different from other managers? (c) To what extent do CEOs believe their employee communication programs are cost-effective?

2. **How do CEOs actually practice their internal communication role?** (a) How much of their time do CEOs devote to communicating with employees? (b) With which publics (internal and external) do CEOs communicate most frequently? (c) What types of communication channels do CEOs use most frequently? (d) What types of feedback channels do CEOs consider most effective? (e) In which types of organizational situations do CEOs believe they should assume the lead communication role?

3. **To what extent does a CEO's background and type of organization influence his or her communication attitudes and behaviors?** (a) Do organization size and type (industrial vs. service) affect a CEO's communication role? (b) Do a CEO's age,
longevity as a CEO, and prior management experiences influence his or her communication beliefs and activities? (c) Do a CEO's experience and training in communication practices affect his or her communication role?

METHODOLOGY

This article incorporates results from two national studies, one conducted in May 1987, and the other in May 1989. The latter study was both a replication and an extension of the initial one. Therefore, the methodologies were practically identical. So rather than present duplicate descriptions of the methods employed in each study, we offer a single description and note any important differences.

Sample

The target population consisted of all the CEOs (president and/or chairman) from the "Fortune 500" industrial and "Fortune 500" service firms. Widely used, these rankings, compiled annually by Fortune magazine, comprise the largest U.S. organizations in each market sector, based on annual revenues.

Instrumentation

The primary data collection instrument was a four-page printed questionnaire. A driving concern in designing the questionnaire was to make it inviting to busy chief executives. Therefore, layout, time required (10 min), and simple response scales were prime considerations. The questionnaire contained three major sections: CEO attitudes toward the CEO communication role (14 items), CEO communication behaviors (about 40 items), and demographic information (about 20 items). The final question was open-ended and sought CEOs' personal thoughts on how their communication has changed and will change in the years ahead.

The 1987 and 1989 versions of the questionnaire contained, for the most part, the same questions. Several new items were added in the latter study, language was clarified, and some of the response scales were made more precise. Most items relied on 3- or 5-point Likert response scales. A definition of CEO communication was offered in order to seek consistency in CEOs' responses: "the CEO's active involvement in communicating with employees in the organization."

For each version of the questionnaire, pretesting was conducted among five top-level executives at various types of organizations. None of these managers were included in the sampling frame. Feedback prompted only incidental alterations in language, format, and response categories.
Administration

Questionnaires were mailed to CEOs along with cover letters explaining the purpose and importance of the study. Postage-paid return envelopes were also included. In the 1987 study, the “Dear CEO” cover letter was signed by the researchers. In the letter, a special appeal asked CEOs to complete the questionnaire themselves. In the 1989 study, the personalized cover letter came from the CEO of the management consulting firm sponsoring the study (Foster Higgins); therefore, an “honesty” reminder seemed neither appropriate nor necessary. In both cases, CEOs were offered preliminary summaries of results as an enticement to and a “thank you” for participation.

In an effort to garner support within the CEO’s organization for his or her participation in the study, a personalized letter (with copy of questionnaire) signed by the lead author and the national leader of Foster Higgins’ communication practice was mailed to the organization’s top-ranked member of IABC or PRSA, the largest professional communication associations. Two weeks after the initial mailing, a follow-up letter and another copy of the questionnaire were mailed to all CEOs.

RESULTS

Our primary emphasis in this benchmark research effort was to generate a descriptive account of CEOs’ beliefs and practices related to their internal communication role. We also sought to uncover differences in communication beliefs and behaviors affected by a number of organizational variables, such as size, industry type, CEO experience, and CEO age. In addition, results were tested for temporal stability across the 2 years between the 1987 and 1989 surveys.

The first (CEO attitudes & beliefs) and second (CEO communication practices) research questions are answered by examining the tabulation of frequencies and corresponding percentages (see Tables 1.1–1.7). In order to test for differences due to organizational or CEO demographic variables (research question #3), t tests (to compare means) and correlation analysis (e.g., Pearson’s r, regression models) were used. The relevant significant statistical results are presented and discussed.

Finally, in order to test for stability across time, t tests were used to compare differences in means (where scale properties permitted) or chi-square tests of independence were used to compare frequency distributions of CEO responses from 1987 and 1989.

Results are presented in four sections. First, survey response rates are discussed. Second, stability of findings across the two surveys is analyzed. Third, the large volume of descriptive findings are simplified in a “typical CEO communication profile,” including accompanying tables. Finally, results of tests exploring rela-
tionships among the demographic, organizational, and communication variables are presented.

Response Rates

The Actual Response. In the 1987 study of a large sampling (about 900) of Fortune 500 industrial and service CEOs, 132 usable questionnaires were returned, representing a 14.6% response rate. In the 1989 study of all 1,000 CEOs in these categories, 164 usable questionnaires were received, which was a 16.4% response rate. These responses were fairly representative among the range of organizations comprising the sampling frame. In the 1987 study, 47% of the returns were from industrial organizations and 44% were from service organizations; 47% had less than 10,000 employees and 52% had more than 10,000 employees. A similar distribution of responses occurred in the 1989 study.

The Reason Why. These response rates are quite low, which is problematical. Compared to other studies of this heavily surveyed target public, however, these response rates are realistic. For instance, Grubb's (1984) study of Fortune 500 CEOs yielded only 101 usable returns (24%). There is a reason for this, which is revealed by the companies themselves. Because of the high visibility and easy access to mailing lists of the Fortune 500, these companies have become popular sampling frame targets of researchers. As a result of this heavy demand on their executives' time, many of these organizations have adopted policies refusing to participate in any surveys. In the 1989 study, for example, we received 39 letters explaining why companies (e.g., Chrysler, Kodak) will not complete survey questionnaires. One letter indicated that the company receives, on average, 50 such requests a week.

Unfortunately, knowing the reasons for a low response rate does not resolve the problems associated with generalizations based on such a relatively small sample. It is possible that respondents reflect a self-selection bias of those CEOs who hold positive attitudes toward communication. The extent of this possible bias, however, is unknown. This abnormally low response rate represents a common dilemma for those who study "hard to reach" target populations, such as CEOs. Nevertheless, the approximately 300 chief executive officers represented in these two surveys are a substantial number from this target population. Although these findings must be considered somewhat tentative, they do reflect an important first step in the systematic study of this group of influential individuals.

Stability of Findings

CEO Attitudes and Beliefs. Findings from the 1987 and 1989 studies were generally similar. A number of statistical tests were performed (e.g., chi-square tests of independence, t tests of means) to compare the 1987 and 1989 results. CEO
communication perceptions and practices appeared stable over the 2-year interim between surveys. This finding strengthens our confidence in the validity of our findings and conclusions.

**CEO Communication Practices.** The average amount of time CEOs devoted to communication activities in the 1989 sample was 18%. This figure is slightly more than the average of 15% reported in the 1987 survey. The difference between these means was statistically significant ($p < .01$). Thus, the major difference in the two surveys was that CEOs reported spending more time in communication activities in 1989.

**The CEO as Communicator: A Descriptive Profile**

The first and second research questions sought to uncover CEOs' perceptions of the impact of their communication role and how they play that role. Data from the 1987 and 1989 studies—when analyzed together—offer a first-ever composite picture of how CEOs of large organizations see themselves as communicators. From this composite, we have created a descriptive profile of the CEO as communicator (see tables for complete findings). Selected written comments from responding CEOs are included to bring "life" to the data. Most data presented are from the 1989 study; only findings from the 1987 study that illustrate shifts over the 2-year period are included.

**The General Profile.** Overall, the typical CEO as communicator appears this way:

1. He is a middle-aged business leader of considerable experience and success.
2. He believes his internal communication role to be important to employees and the organization, and that his communication role is unique.
3. He appears to be most comfortable and believes he is most effective with face-to-face communication.
4. He believes in the value of employee feedback and uses mostly informal communication channels to obtain it.
5. He has increased his communication activities over the past 2 years, but would be more involved if not for so many other demands on his time.

**Demographics.** The typical CEO is a man between 56 and 65 years of age who has been a president or CEO for 8 years. He runs an industrial company of about 7,500 employees. Profits of his company have increased recently and the employee turnover rate has been stable.

Prior to becoming a CEO, he most likely has held management positions in operations and/or sales and marketing. Although he does not have a degree in communication, he reads books on the subject occasionally and receives coaching.
from his communication staff. He sometimes receives advice from outside communication counsel and has completed a few university courses and/or professional seminars on communication topics.

His top professional communicator probably reports directly to him. The CEO believes he should be involved in decisions concerning organization-wide communication activities (see Table 1.1 for details of demographic characteristics).

**CEO Perceptions.** The typical CEO strongly believes that his communication with employees directly influences their job satisfaction, job performance, and organizational commitment, and positively affects the organization's "bottom line."

---

**TABLE 1.1**

A Profile of CEO Respondents—Demographic Results

<table>
<thead>
<tr>
<th></th>
<th>% Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size of Organization</strong></td>
<td></td>
</tr>
<tr>
<td>under 10,000 employees</td>
<td>48%</td>
</tr>
<tr>
<td>10-25,000</td>
<td>25</td>
</tr>
<tr>
<td>25-50,000</td>
<td>17</td>
</tr>
<tr>
<td>over 50,000</td>
<td>10</td>
</tr>
<tr>
<td><strong>Type of Organisation</strong></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>52%</td>
</tr>
<tr>
<td>Service</td>
<td>38</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>35-45</td>
<td>12%</td>
</tr>
<tr>
<td>46-55</td>
<td>31</td>
</tr>
<tr>
<td>56-65</td>
<td>52</td>
</tr>
<tr>
<td>66-75</td>
<td>4</td>
</tr>
<tr>
<td><strong>Top Communicator Reports to CEO</strong></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>51%</td>
</tr>
<tr>
<td>No</td>
<td>49</td>
</tr>
<tr>
<td><strong>Prior Management Experience</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1989</td>
</tr>
<tr>
<td>(1) Operations</td>
<td>60</td>
</tr>
<tr>
<td>(2) Sales/Marketing</td>
<td>38</td>
</tr>
<tr>
<td>(3) Finance/Accounting</td>
<td>32</td>
</tr>
<tr>
<td>(4) Manufacturing/Engineering</td>
<td>32</td>
</tr>
<tr>
<td>(5) Planning</td>
<td>28</td>
</tr>
<tr>
<td>(6) Research and Development (R &amp; D)</td>
<td>12</td>
</tr>
<tr>
<td>(7) Human Resource Management</td>
<td>9</td>
</tr>
<tr>
<td>(8) Legal</td>
<td>9</td>
</tr>
<tr>
<td>(9) Communications/Public Relations</td>
<td>9</td>
</tr>
</tbody>
</table>

<sup>a</sup>Number of respondents indicating some prior experience (multiple responses permitted).
One CEO of an industrial firm commented, "Communication has been recognized as a key activity, vital to an organization's success." The CEO of a service firm in Ohio added, "Today, more than in the past, the board holds the CEO accountable for developing the 'culture' of the organization . . . and leading the way to its attainment."

The CEO finds himself less involved in organizational communication activities than he wants to be, but has increased his time communicating with employees over the past couple of years. "The need for open, frequent, direct, creative communication," said a new, young CEO from New York, "will continue to grow and will be much more important in the future." The average CEO believes that his internal communication role is different from that of other managers and that the organization would be hurt if his communication activities were significantly reduced. "The role of the CEO is to provide the vision . . .," noted the CEO of a large company in Pittsburgh. "Interpretation of that vision," he wrote, "is the responsibility of operating unit managers."

More and more convinced of the usefulness of communication, he is less likely to reduce his organization's employee communication budget today than he was 2 years ago. "This CEO," wrote a Minneapolis-based leader, "believes communication (internally) needs lots of work; we are moving away from an autocratic leadership culture." (See Table 1.2.)

**Time Devoted to Communication.** Three years ago, the typical CEO spent 10% or less of his time communicating with employees. Today, he devotes closer to 15% of his work day to employee communication, and he would like it to be about 23%. He is unable to devote more time to employee communication because there are "just too many other demands" on his time. (See Table 1.3.)

**Use of Media.** Almost half of the CEO's communication efforts rely on interpersonal means. There will be "more and more emphasis on frequent contact with all levels of employees," said a CEO of a service company headquartered in New Orleans, because "more day-to-day, hands-on management makes for more daily contacts." More than a third of CEO communication is written and just 15% is via mass communication media. The CEO is comfortable communicating face-to-face with employees; but tends to think CEOs who are not comfortable as communicators should not do it. Commented one experienced Boston CEO: "Pity the CEO who is not effective or who does not want to communicate. Note: You cannot force it—it won't be effective."

The CEO communicates frequently with employees through "management by walking around," one-on-one meetings, articles in internal publications, group meetings with employees, speeches, memos, and phone calls—in that order. The average respondent writes letters and/or memos to his employees approximately every 3 weeks, uses mass media techniques about once each quarter, and is satisfied with these frequencies.

He believes himself to be very effective in face-to-face communication and
### TABLE 1.2
CEO Perceptions of Communication Issues

<table>
<thead>
<tr>
<th>Positive Impact of CEO Comm on . . .</th>
<th>SA</th>
<th>A</th>
<th>HD</th>
<th>D</th>
<th>HD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>59</td>
<td>38</td>
<td>3</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Job commitment</td>
<td>43</td>
<td>52</td>
<td>5</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Job performance</td>
<td>19</td>
<td>56</td>
<td>24</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>Bottom line</td>
<td>25</td>
<td>54</td>
<td>20</td>
<td>1</td>
<td>--</td>
</tr>
</tbody>
</table>

#### CEO Comm Role

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>HD</th>
<th>D</th>
<th>HD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO primary spokesperson</td>
<td>12</td>
<td>36</td>
<td>11</td>
<td>39</td>
<td>2</td>
</tr>
<tr>
<td>CEO comm role no different than other mgrs.</td>
<td>4</td>
<td>19</td>
<td>3</td>
<td>53</td>
<td>21</td>
</tr>
<tr>
<td>CEO should comm only on special occasions</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>43</td>
<td>54</td>
</tr>
<tr>
<td>Employees believe CEO comm candid/honest</td>
<td>7</td>
<td>58</td>
<td>31</td>
<td>4</td>
<td>--</td>
</tr>
<tr>
<td>Employees possess info to help CEO decisions</td>
<td>39</td>
<td>55</td>
<td>5</td>
<td>1</td>
<td>--</td>
</tr>
</tbody>
</table>

#### Company's Employee Communication Programs

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>HD</th>
<th>D</th>
<th>HD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bring good return on investment</td>
<td>13</td>
<td>65</td>
<td>21</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>Primary purpose is to send info to employees</td>
<td>2</td>
<td>51</td>
<td>9</td>
<td>37</td>
<td>1</td>
</tr>
<tr>
<td>Employees receive sufficient info to do jobs effectively</td>
<td>--</td>
<td>17</td>
<td>34</td>
<td>47</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: All data are presented in percentages.

N = 164; SA = Strongly Agree; A = Agree; HD = Hard to Decide; D = Disagree; SD = Strongly Disagree.

### TABLE 1.3
CEO Time Devoted to Internal Communication

<table>
<thead>
<tr>
<th>% of CEO's Time Communicating w/ Employees</th>
<th>Today</th>
<th>3 Years Ago</th>
<th>Ideally</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%–5%</td>
<td>23</td>
<td>34</td>
<td>12</td>
</tr>
<tr>
<td>6%–10%</td>
<td>23</td>
<td>25</td>
<td>14</td>
</tr>
<tr>
<td>11%–15%</td>
<td>15</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>16%–20%</td>
<td>14</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>21%–25%</td>
<td>7</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>26%–30%</td>
<td>5</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>more than 30%</td>
<td>14</td>
<td>9</td>
<td>19</td>
</tr>
</tbody>
</table>

Mean 18.7  15.2  23.2

Median 15  10  20

Note: All data are presented in percentages.

N = 164.
moderately so in written communication. But he assesses himself as only "somewhat effective" when using mass media. However, some see use of mass media as a key to the future. A 9-year veteran of a large midwestern industrial firm wrote: "A greater emphasis on technology has made timeliness possible. Through the video medium, I've been able to take a greater personal role in communicating with employees" (see Table 1.4).

**Issues and Situations.** The CEO holds a distinct role in the organizational communication process. He expects to assume the lead role in communicating with employees on major organization-wide issues, such as year-end reviews, layoffs, and product recalls. "Employees want to hear from their CEO," noted an East-Coast-based CEO. "They need to know more about their company, its direction and future."

He expects other top managers to take prime responsibility for more narrowly focused organizational issues, such as benefits, sagging sales, and employee recognition. "The CEO must set a tone," said the top executive of an industrial firm in New Jersey, "but total communication is the role of every supervisor" (see Table 1.5).

**The Employee Communication Function.** The typical CEO is far more positive about the effectiveness of his personal internal communication role than he is about his organization's employee communication program. He sees the primary

<table>
<thead>
<tr>
<th>TABLE 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CEO Communication Channels</strong></td>
</tr>
<tr>
<td><strong>Usage</strong></td>
</tr>
<tr>
<td><strong>D/W</strong></td>
</tr>
<tr>
<td><strong>Type of Communication</strong></td>
</tr>
<tr>
<td>Face-to-face</td>
</tr>
<tr>
<td>(e.g., speeches, meetings, MBWA)</td>
</tr>
<tr>
<td>Written</td>
</tr>
<tr>
<td>(e.g., letters, memos)</td>
</tr>
<tr>
<td>Mass media</td>
</tr>
<tr>
<td>(e.g., video, articles)</td>
</tr>
</tbody>
</table>

Note: All data are presented in percentages. 
N = 164; D/W = Daily/Weekly; M/Q = Monthly/Quarterly; Less = Less Than Quarterly; VE = Very Effective; SE = Somewhat Effective; IN = Ineffective.
purpose of employee communication as one-way communication: management sending vital company information to employees. But 4 out of 10 of his colleagues disagree, perhaps implying they see the purpose as broader. Wrote one CEO of a very large corporation: "It's my responsibility to encourage environments in which employees feel free to take risks, participate, grow with the corporation. I'm trying to remove barriers which prevent employees from doing their best job."

The CEO believes the employee communication program brings a good return on investment, but does not think management provides employees all the information they need to perform their jobs effectively. He thinks many, but not all, of his employees believe he communicates candidly and honestly with them. He soundly rejects the notion that a CEO should communicate with employees only on special occasions or during crises. "There is less and less tolerance of hiding behind the 'corporate veil,'" said a CEO of a Houston-based service company (see Table 1.2).

**Target Publics.** Inside the organization, the CEO communicates most frequently with his top managers, professional and technical staff, middle managers, and board of directors. Line employees and shareholders receive infrequent communication from the top manager.

Externally, the CEO tends to believe he should be the organization's primary spokesperson. "The increased demand for public accountability by corporations makes it imperative that the CEO be the public point-man," wrote a CEO with 10 years of experience. The CEO is in contact with customers, other CEOs, and community leaders at least monthly. Interestingly, only about 1 in 10 CEOs communicates with media on more than a weekly basis. He rarely communicates with suppliers or union leaders (see Table 1.6).

**Feedback Channels.** The CEO believes strongly that information from employees can help him make better decisions. "Communication—to be effective,"
TABLE 1.6
Frequency of CEO Communication with Target Publics

<table>
<thead>
<tr>
<th>Publics</th>
<th>D/W</th>
<th>M</th>
<th>Q</th>
<th>Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management (I)</td>
<td>98</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional/technical staff (I)</td>
<td>59</td>
<td>21</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Middle management (I)</td>
<td>45</td>
<td>36</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Customers (E)</td>
<td>43</td>
<td>20</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Other CEOs (E)</td>
<td>34</td>
<td>42</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Community leaders (E)</td>
<td>27</td>
<td>34</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Board of directors (I)</td>
<td>22</td>
<td>55</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Hourly employees (I)</td>
<td>22</td>
<td>23</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Financial community (E)</td>
<td>20</td>
<td>35</td>
<td>36</td>
<td>9</td>
</tr>
<tr>
<td>Government officials (E)</td>
<td>15</td>
<td>24</td>
<td>15</td>
<td>46</td>
</tr>
<tr>
<td>Shareholders (I)</td>
<td>12</td>
<td>11</td>
<td>66</td>
<td>11</td>
</tr>
<tr>
<td>Media (E)</td>
<td>11</td>
<td>31</td>
<td>37</td>
<td>21</td>
</tr>
<tr>
<td>Union leaders (E)</td>
<td>2</td>
<td>10</td>
<td>16</td>
<td>72</td>
</tr>
</tbody>
</table>

Note: All data presented in percentages.
N = 164; D/W = Daily/Weekly; M = Monthly; Q = Quarterly; Less = Less Than Quarterly; (I) = Internal Public; (E) = External Public.

says the top manager of a consumer products giant in New York, “must be two-way. I just can’t talk to them—I must also listen.” The average CEO says that casual conversations and meetings with employees provide him with the most effective feedback. Somewhat less effective are employee attitude surveys. He does not believe that the suggestion box or the telephone hotline are particularly effective feedback vehicles (see Table 1.7).

TABLE 1.7
Effectiveness of CEO Feedback Channels

<table>
<thead>
<tr>
<th>Feedback Channel</th>
<th>Very Effective</th>
<th>Somewhat Effective</th>
<th>Ineffective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual conversations</td>
<td>57</td>
<td>42</td>
<td>1</td>
</tr>
<tr>
<td>Employee meetings</td>
<td>39</td>
<td>57</td>
<td>4</td>
</tr>
<tr>
<td>Employee attitude surveys</td>
<td>29</td>
<td>55</td>
<td>16</td>
</tr>
<tr>
<td>Memos/letters from employees</td>
<td>29</td>
<td>60</td>
<td>11</td>
</tr>
<tr>
<td>Written progress reports</td>
<td>17</td>
<td>70</td>
<td>13</td>
</tr>
<tr>
<td>Grapevine</td>
<td>11</td>
<td>61</td>
<td>28</td>
</tr>
<tr>
<td>Formal complaints/grievances</td>
<td>7</td>
<td>70</td>
<td>23</td>
</tr>
<tr>
<td>Suggestion box</td>
<td>5</td>
<td>52</td>
<td>43</td>
</tr>
</tbody>
</table>

Note: All data presented in percentages.
N = 164.
The CEO as Communicator: Demographic Influences

Predicting CEO Communication Behavior. Respondents were very consistent in their beliefs about specific effects of CEO communication. As a result, four questionnaire items indicating CEO beliefs about the positive effects of their communication (i.e., job satisfaction, commitment, job performance, and organizational profits) were used to construct a general scale. The scale was found to be reliable (Cronbach's $\alpha = .81$). This "CEO communication effects" scale was subsequently used in several analyses.

Initially, we sought to predict actual time devoted to communication activities in a regression model using the effects scale as the primary predictor with several other organizational variables as controls, such as years as a CEO, age, type of organization, size of organization, and CEO background in communication. None of these control variables significantly contributed to the model after the effects scale was entered into the formula. Thus, the model reduced to a simple regression model in which CEO beliefs in the value of CEO communication predicted CEO time devoted to communication activities ($b = 2.27, p < .01, R^2 = .07$). This finding suggests that CEOs who believe more strongly that their communication positively influences employee attitudes and organizational performance devote more time to communication activities. The regression model showed that organizational factors, such as organization size or type, and individual factors, such as age, tenure as CEO, and prior management experience, were unimportant compared to CEO beliefs about their communication effectiveness.

Predicting CEO Communication Beliefs. In addition to predicting communication behavior from beliefs, several factors were considered that might predict CEO beliefs in communication effectiveness. A regression model was estimated with the CEO communication effects scale as the dependent variable and several organizational and individual variables as predictors, including type and size of organization, CEO communication background, age, and tenure as CEO. Most of these variables proved nonsignificant to the model.

However, one organizational variable and one individual CEO variable were significant. The final reduced model predicted CEO beliefs about positive effects of communication from type of organization ($b = -.49, p < .05$, one-tailed test) and previous management experience in sales and marketing ($b = .59, p < .01$). These coefficients imply that CEOs from industrial organizations have less positive beliefs about the impact of CEO communication and CEOs with previous experience in sales and marketing have more positive beliefs about the value of CEO communication. These two predictors combined to explain 5% of the variance in the CEO communication effects scale.

Although CEO tenure was unrelated to the CEO communication effects scale described in the aforementioned regression model, the zero-order correlation revealed a significant, small negative association between CEO tenure and the belief that there would be adverse organizational effects with less CEO communication ($r = -0.23, p < .05$). This finding suggests that CEOs who have been in their positions for longer periods of time are less likely to believe that reducing CEO communication would have adverse organizational consequences.
CEOs of longer tenure seem to believe that their communication efforts have a smaller impact on organizational success (see Table 1.8).

**Predicting the CEO Communication Role.** Zero-order Pearson correlations revealed a significant association \( r = -0.21, p < .05 \) between CEOs' time on communication and their perceptions of the CEO communication role. This correlation indicated that as CEOs spend more time on communication, they are less likely to view their communication role as "different from other managers." Thus, those CEOs who devote more of their time to communication activities are more likely to view their communication role as similar to that of other managers (see Table 1.8).

**Predicting Effectiveness of Feedback Channels.** An association was found between CEO longevity and beliefs in the effectiveness of feedback channels. The more years as CEO predicted less agreement with the statement that "employees possess information that can help CEOs make better decisions" \( r = -0.18, p < .05 \). Age was associated with beliefs in the effectiveness of formal complaint feedback channels. Specifically, older CEOs were more inclined to rate formal complaints as an effective form of feedback \( r = 0.16, p < .05 \). Size of organization was also found to correlate with beliefs about the effectiveness of feedback channels. CEOs of larger organizations tended to believe that employee attitude surveys

### Table 1.8

<table>
<thead>
<tr>
<th>Communication Variable</th>
<th>Size of Organization</th>
<th>Tenure as CEO</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees possess info help CEO decisions</td>
<td>ns</td>
<td>-.21&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-.17&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of use of mass media</td>
<td>.30&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-.21&lt;sup&gt;b&lt;/sup&gt;</td>
<td>ns</td>
</tr>
<tr>
<td>Effectiveness of written comm</td>
<td>.25&lt;sup&gt;b&lt;/sup&gt;</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Effectiveness of mass media</td>
<td>.25&lt;sup&gt;b&lt;/sup&gt;</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>Feedback</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness of employee attitude surveys</td>
<td>.20&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-.16&lt;sup&gt;a&lt;/sup&gt;</td>
<td>ns</td>
</tr>
<tr>
<td>Effectiveness of formal complaints</td>
<td>ns</td>
<td>ns</td>
<td>.16&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Effectiveness of grapevine</td>
<td>-.15&lt;sup&gt;a&lt;/sup&gt;</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>

**Note:** This table includes only statistically significant results.

\( N = 164 \).

<sup>a</sup><sub>p < .05</sub>; <sup>b</sup><sub>p < .01</sub>
are an effective form of feedback \((r = .20, p < .01)\) and, conversely, the grapevine is a less effective form \((r = - .15, p < .05)\) (see Table 1.8).

**Predicting Use of Communication Channels.** Size of organization was related to CEO beliefs in effectiveness of both written and mass media. CEOs of larger organizations judged their effectiveness with written or mass media as greater compared to CEOs of smaller organizations. In both cases (written and mass media), the correlation between organization size and medium effectiveness was .25 \((p < .01)\).

Several organizational factors were related to CEO use of and preference for certain communication channels. First, an examination of the relationship between use and perceived effectiveness of communication channels revealed that those who perceive written and mass communication to be more effective use those channels more regularly \((r = .30, p < .01\) for written; \(r = .28, p < .01\) for mass media). However, this relationship did not hold for face-to-face communication; perceived effectiveness was unrelated to frequency of face-to-face communication. These findings suggest that CEOs who use written or mass media more frequently do so because they believe that these channels are more effective. Conversely, CEOs who avoid written or mass media do so because they view these channels as relatively less effective. When CEOs communicate through face-to-face channels, they do so even though they may not wholeheartedly believe in their effectiveness.

Finally and not surprisingly, reported use of mass media was correlated with organization size and CEO tenure. CEOs of larger organizations reported using mass media more frequently \((r = .30, p < .01)\). CEOs of fewer years were more likely to use (and prefer to use) mass media \((r = -.21, p < .05)\). Practical necessity may prompt leaders of large, multisite organizations to rely on media that can reach large numbers of employees quickly and simultaneously. Less experienced CEOs may view mass communication as a means to help them to communicate instantly and uniformly with the entire organization, thereby beginning to establish relationships.

**DISCUSSION**

In this section, we discuss the theoretical, strategic, and applied implications of the findings from this developmental research program of how CEOs of America’s largest companies define and practice their internal communication role.

**Building Public Relations Theory**

Results of this exploratory series of studies suggest several intriguing connections to extant organizational communication and public relations paradigms that should be explored further in subsequent studies.
Developing a Management–Employee Communication Model. Most significantly, the line of research reported here highlights the importance of understanding the complex management–employee communication relationship. Findings reinforce the underlying theoretical notion of Pincus and Rayfield’s (1986) top management communication model that employees relate to managers at different organizational levels in different ways. That is, management should be segmented by levels and roles when devising internal communication strategies. In these studies, CEOs indicated that they see their communication role as different from other managers. And when asked who should assume the lead communication role in different types of organizational situations, the CEOs clearly distinguished among top, middle, and first-line managers. This research, then, seems to argue for extending—and further segmenting—the traditional focus of management communication research (e.g., immediate supervisor–employee association) to include relatively uninvestigated levels of management (e.g., middle) and organizational relationships (e.g., CEO–employee, top manager–middle manager).

Central to the efficacy of the model is the unstated need to manage two-way communication between managers and employees so as to enhance their communication relationships. This concept of mutual communication is emphasized in Grunig and Hunt’s (1984) two-way symmetric model of public relations: “... the public should be just as likely to persuade the organization’s management to change attitudes or behavior as the organization is likely to change the publics’ ...” (p. 23). Although Grunig and Hunt’s research looked primarily at organizations’ system-wide public relations efforts with external publics, we believe their model can be applied to internal communication as well. Interestingly, CEOs in the studies reported here said they strongly believe in the value of employee feedback to help them make better decisions. Yet, as our literature review revealed, employees tend to perceive top management as somewhat isolated, and want more and better quality communication with them. In other words, CEOs may view their internal communication role as two-way symmetric, but may actually practice more of a two-way asymmetric or public information (one-way) style. Grunig and Hunt’s set of public relations models appears to offer helpful conceptual guidelines for developing internal communication theory.

In light of these new data and theoretical implications, perhaps the Pincus and Rayfield (1986) model should be reconfigured to reflect differences among levels of management (e.g., CEO, top management, middle management, first-line supervisor) and to incorporate employees’ and managers’ varying information needs and perceptions of their communication relationships. Such a reconfigured model may be the beginning of a contingency theory of two-way management communication that separates management’s and employees’ communication responsibilities and roles according to organizational level, size of organization, and information/communication needs. Obviously, more testing of these relationships is needed.
1. The CEO’s Internal Communication Role

J. Grunig’s Situational Theory of Publics. Another theoretical framework that may help explain internal communication relationships is James Grunig’s situational theory of publics (see Grunig & Hunt, 1984, pp. 147–160). In this theory, Grunig maintained that a public’s communication behavior can be predicted based on the extent of its problem recognition (information seeking or processing), constraint recognition, and level of involvement (active/passive) with a particular issue. From his research, he identified eight categories of publics and computed the probabilities of those publics’ likely communication behaviors in varying situations. Essentially, Grunig’s continuum spans from the very active, information-seeking public to the very inactive, information-passive public.

This theory may help in identifying variables affecting the management–employee communication relationship. However, a more precise focus is needed to uncover such information. The data from the studies behind Grunig’s (Grunig & Hunt, 1984) theory were drawn from citizens’ views and information preferences on a range of external (e.g., public affairs) issues. The criteria housing this situational theory of publics should, conceptually speaking, apply to any public inside or outside an organization. Indeed, internal publics, due to their special self-interests, may hold unique information needs and desires, and may perceive potential organizational constraints differently. If so, certain communication strategies and tactics may be most appropriate, as Grunig and Hunt suggested.

Focusing the Grunig (Grunig & Hunt, 1984) theory exclusively on publics within an organization, employees today—increasingly educated, professional, and hungry for information about their organizations—would probably be classified as an active public (e.g., high involvement, information seeking). If so, Grunig and Hunt maintained, organizations should respond with high profile, proactive communication strategies in order to fuel employees’ activism. Yet, as internal publics are further segmented by level, longevity, job type, and so forth, these subpublics are likely to exhibit varying communication needs and tendencies, and thus require customized communication strategies.

The Grunig (Grunig & Hunt, 1984) situational theory of publics appears to be a useful conceptual framework for further studying and classifying groups of employees and managers up and down the organization. Such findings might not only broaden the applicability of Grunig’s model, but also foster development of new theoretical notions related to management–employee communication.

The Impact of CEO Communication

CEOs strongly believe in the value and impact of their internal communication activities on their employees and organizations. In two studies conducted 2 years apart among the same population of CEOs, these business leaders reported a strong belief that their communication activities positively influence employees’ feelings toward work and the organization’s bottom line. Such strong attitudes,
which were echoed throughout CEOs' written comments, may be pivotal to predicting CEOs' future decisions on communication-related matters.

Perhaps CEOs are saying what they think they are expected to say: that their communication efforts do make a difference. However, their reported actions—ranging from CEOs devoting more of their limited time to communication activities to CEOs approving larger communication budgets—suggest that CEOs genuinely endorse the importance of their own communication leadership role.

Although they believe in the importance of their communication role, CEOs are less certain about the extent to which they should play their role and how effectively they play it. They had mixed views on whether they should be their organizations' primary communicator, and a number of them question whether employees perceive their communication efforts as honest and credible. These doubts—possibly fueled by their limited preparation or prior negative experiences as communicators—should make CEOs receptive to suggestions for how they can more effectively fulfill their communication responsibilities.

**CEO Perceptions of Employee Communication Programs**

CEOs have mixed feelings about the effectiveness of their organizations' employee communication programs. CEOs are less certain of the positive influence of their organizations' employee communication programs than they are of their own communication activities. Although most believe that their internal communication programs bring a good return on investment, they expressed mixed reactions to the value of the information employees are receiving from management.

This perceived gap between how CEOs view the effectiveness of their personal communication and their company's employee communication program may be explained by CEOs' limited involvement in their employee communication programs. Also, CEO communication strategies should be tied more directly to organizational objectives so that CEOs can see the linkages between their communication activities and the attainment of organizational goals.

**CEO Approaches to Communication**

CEOs define their internal communication role as largely one-way communication, mostly with other managers. CEOs reported that employees possess information about the organization that can help CEOs make better decisions. This belief suggests that CEOs ought to be aggressively seeking such feedback. Yet they rely mostly on informal, irregular, limited types of feedback—casual conversations and meetings with employees—to obtain this important information. They see employee attitude surveys, which can provide a scientific view of the organization as a whole, as less effective than informal talks with small numbers of employees.

CEOs' communication behavior does not appear to be completely consistent with their perceptions of their communication role. For example, despite CEOs'
expressed desire for information from employees, only about one of five CEOs said he communicates with employees daily or weekly, which is substantially less frequently than they reported communicating with most other publics. In fact, almost a third reported communicating with employees less than quarterly. Their most frequent contact is with other levels of management, customers, and other CEOs. CEOs who do not aggressively and continuously seek input from employees may never get it—or if they do, it may be what employees think the “bosses” want to hear. Although it is true that other managers should provide CEOs with input from employees, the natural bureaucratic filtering process may dilute or change employees’ actual messages before they reach the CEO.

CEO communication activities, as well as the priorities attached to them, may be based too much on tradition or circumstances rather than on clear-cut, thoughtful strategies tied to organizational objectives. CEOs may be unconsciously overemphasizing the wrong audiences, inadvertently ignoring their organization’s goals. This argues for the need to develop distinct CEO communication strategies that are incorporated into the organization’s overall communication plan, not apart from it.

Excessive emphasis on one-way CEO communication strategies is inconsistent with today’s business environment. As organizations continue to merge, restructure, and downsize, employees are forced to go through confusing, traumatic cultural transformations. Such cultural change must be supported by and involve the lowest level employees to be effective and lasting. But employees need leadership—from the top. And the top needs to know its people and their beliefs if it hopes to effectively lead. CEOs “must guide” cultural change, argued Dumaine (1990), “to make sure it happens coherently” (p. 127). This means CEOs must know their employees’ true feelings about their CEO, their work, their management, and their organization before crafting appropriate communication approaches. Casual, random conversations with a handful of individuals are a weak substitute for more scientific, ongoing, organization-wide attitude research.

CEO Communication Behavior

CEOs prefer and rely mostly on face-to-face communication, and shy away from and under-utilize mass media. CEOs are primarily interpersonal communicators. Their channel of choice is face-to-face communication, marked by meetings, speeches, and management by walking around (MBWA). Written communication, mostly memos and letters, is used moderately. Mass media, such as videotapes or articles in publications, are used by CEOs sporadically and are not seen as highly effective in communicating with employees. These findings were evident in both the 1987 and 1989 studies.

Among the written comments forwarded in this study, many touted CEOs’ increasing reliance on new communication technologies (e.g., videoconferencing), and predicted the need for CEOs to become more comfortable and competent with mass media. Findings suggested that this may already be happening. For instance,
CEOs of larger organizations said they actually use mass media more than their counterparts at smaller organizations. The CEO of a large, multilocation organization cannot hope to establish meaningful relationships with employees relying mostly on face-to-face forms of communication. In contrast, CEOs of smaller, single-site organizations, such as hospitals, are able to use interpersonal communication more regularly and effectively. CEOs adept at using mass communication channels, such as video, can simulate face-to-face communication with large numbers of employees.

Better training may be needed. Many CEOs today are unprepared—and, therefore, uncomfortable—to do a TV interview or appear on a talk show or speak to a large audience. Although they recognize their responsibilities, they often avoid or delegate such obligations because they are uncomfortable or untrained to handle them. Typical business education has stressed topics such as finance, operations, and marketing. Communication training has been largely overlooked. For instance, it is only since about 1970 that MBA programs have included any communication training in their curricula. And the thrust of that training focuses on basic communication skills, such as writing and speaking, and includes little, if any, emphasis on strategic communication issues, such as the role of the media or employee communication strategies (Pincus, 1988).

Typical MBA programs should incorporate a wide range of communication issues into their curricula. In addition, CEOs may need on-the-job training on special communication topics (e.g., media interviews) from their professional communication staff and/or outside consultants.

The Uniqueness of the CEO's Communication Role

CEOs see their internal communication role as situation-specific and continuous. CEOs hold strong feelings on what their communication role should be and when they should play that role. They see their internal communication responsibilities as related to, but different from, other managers' roles. And they believe they should communicate with employees regularly, yet, depending on the type of issue or situation, communication leadership should shift among management levels. When the issue has potential organization-wide impact (e.g., layoffs), they believe the CEO should be the primary communicator. Perhaps, companies should develop CEO strategic communication plans, prepared in consultation with the company's public relations staff, and integrate them into the company's objectives.

Demographic and Organizational Effects on CEO Communication

Younger and less experienced CEOs are more likely to believe in the value of CEO and employee communication than older and more experienced CEOs. What might cause such a finding? Maybe it is the natural difference between old and new guard CEOs—those who learned to manage "by the numbers" versus those
who learned to consider human relations implications in their decisions. For example, findings indicated that older CEOs are less likely to believe that employee feedback is useful to executive decision-making.

If true, this difference is disturbing. It may suggest that over time CEOs are less aware of the positive effects of their own and their company's communication efforts. This might be due to weak communication strategies and tactics. Or it may be because professional communicators are failing to adequately gather evidence demonstrating the effects of communication.

On the other hand, younger and less experienced CEOs may simply see the work world in different terms than more senior CEOs. That is, maybe because of their business school training and general management orientation, they place greater emphasis on the human side of managing—and on organizational communication—than did their predecessors. Or this may reflect a fundamental cultural change in a society increasingly dependent on instant communication technologies.

Indeed, CEOs of the future, faced with intensifying demands to communicate with internal and external publics, may, to an increasing extent, be selected by shareholders and boards because of their ability to effectively build relationships through communication.

A FUTURE RESEARCH AGENDA

CEO/top management communication is a relatively unexplored area of communication research. The studies reported here offer some useful benchmark data in understanding how CEOs view their internal communication role. Future research, if properly focused and methodologically sound, can pave the way for developing new, more far-reaching management communication concepts and theories. The opportunities to pursue new avenues of research are limitless. Based on our investigations, we offer suggestions for building on this emerging area of study.

*Enhancing Existing Research and Theory.* Most top management/CEO research to date has been largely anecdotal and void of strong theoretical foundations. New research in this area should, where possible, build conceptual groundwork by testing extant theoretical foundations. New research in this area should, where possible, build conceptual groundwork by testing theoretical paradigms noted earlier, such as Pincus and Rayfield's (1986) top management communication model and Grunig's (Grunig & Hunt, 1984) situational theory of publics.

Additionally, the longitudinal research reported here should be replicated and further developed in order to track changes and probe new issues. Special emphasis should be given to bolstering response rates in order to increase the representa-
tiveness of the data. As a first step in this direction, one of the authors has conducted a series of 25 face-to-face structured interviews with CEOs from a cross-section of major organizations across the United States. Systematic analysis of these transcripts is currently underway.

Other Target Publics. How other key publics perceive the CEO's communication role can add perspective to our understanding of CEO effectiveness. Two such influential publics are stockholders and boards of directors. In addition, research into the middle management-employee and CEO-middle management communication relationships needs to be pursued to further test Pincus and Rayfield's (1986) conceptual model of top management communication. The primary focus to date has been on CEOs of large organizations; new, comparative research needs to be done on CEOs and top managers of organizations of differing sizes, types (e.g., profit vs. nonprofit), and within particular markets (e.g., hospitals).

The CEO's External Communication Role. Only a small amount of research has focused on the CEO's external communication role (e.g., Grubbs, 1984). By the very nature of their position, CEOs must maintain relationships with a number of key external publics, such as customers, community leaders, and the media. Do CEOs consciously select contrasting communication strategies and tactics for internal and external publics? If so, what factors most influence those decisions and practices? Research probing CEOs' perceptions and behavior related to their external communication—perhaps patterned on the studies reported here (e.g., perceptions, target publics, channels)—would provide a more complete profile of the CEO as public communicator.

Impact of CEO Communication. CEOs believe that their communication efforts directly influence employees' satisfaction, commitment, and performance, as well as the bottom line. A few empirical studies have demonstrated relationships between employees' perceptions of top management communication and employees' job satisfaction and performance. Relying on self-reported perceptual data needs to be supplemented by other types of data. For example, one approach might be participant—observers of CEOs on the job to report their actual communication behavior and then compare that to their self-declared activities. A strategy for measuring the actual impact of different types of CEO communication would be a semicontrolled field experiment. It might involve simultaneous evaluation of different CEO communication styles (delivering split messages) and their effects on various employee and organizational outcomes among various units within the same organization or industry.

Communication and Leadership. How does a CEO's communication competence influence his ability to be an effective organizational leader? Is communica-
1. The CEO's Internal Communication Role

The CEO's Internal Communication Role

tion a critical factor in leadership? What types of communication approaches have the greatest impact on leadership effectiveness? Testing the influence of communication factors on leadership theories and models might shed new light on the role of interpersonal and mass communication strategies in leadership behavior.

Conclusion. Despite the almost limitless potential for research in the area of CEO communication, focus is needed in order to build a meaningful body of literature. Use of comparable definitions, variables, and methodologies should be sought whenever possible. As Pincus and Rayfield (1989) noted in their review of the communication-job satisfaction literature, conclusions were difficult because of the many differences in study approaches and designs. Cooperation among researchers on terms and measures, as well as rapid promulgation of findings, would enhance the development of useful data bases on CEO and top management communication. The authors are fully prepared to cooperate in such an effort.

REFERENCES


1. The CEO: Internal Communication Role


