The Chief Executive Officer as Chief Communication Officer: Building a communication behavioural attributes framework

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Certificate of Authorship

I, Donald Morris Alexander, hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Charles Sturt University, or any other educational institution, except where due acknowledgement is made in the thesis.

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Donald M Alexander, 2015
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Abstract:

Chief Executive Officers need to be very competent communicators to withstand higher levels of scrutiny by external stakeholders (governments, investors, analysts, communities and activists). They must manage critical international relationships and cross-national and multicultural workplaces. This doctoral thesis examines what core communication attributes of a CEO are sought by the key external stakeholders of an organisation when they are assessing the leadership effectiveness of a CEO. Investors, analysts and the business media when making investment decisions, or deciding how to represent a CEO when reporting on them, have a vital role in how a CEO is perceived. Negative perceptions can create a loss of financial, social and reputational capital. This research makes a new and valuable contribution to the organisational communication, public relations, management and leadership literature as it presents a framework of communication attributes that a CEO needs to include in their management skill-set so they can understand the consequences of ineffective communication with external stakeholders. These behaviours/attributes have not been previously identified from the leadership, management, organisational communication or public relations literature, nor tested in the field with senior business media commentators and investors and analysts. The research draws on a range of academic disciplines to examine the complexities of CEO leadership and communication behaviours/attributes. This cross disciplinary approach has involved reviewing the business/management and leadership fields and communication theories from the social sciences, organisational communication and public relations. Systems theory underpins this research as connections between external stakeholders and a CEO need to exist in an open environment, not a closed one. An organisation must be able to adapt, maintain a flow of communication based on feedback, and allow for the creation and development of relationships. Relationship management, reputation management and two-way communication theories from public relations were also studied. Based on the pioneering work of Ferguson (1984) and Broom, Casey and Ritchey (2000), this thesis takes relationship management as the core theoretical construct on which the research and outcomes are based. The thesis contributes to the ongoing dialogue about what comprises replicable and measureable dimensions to the relationship management literature. This thesis explains the need for a new relational approach for CEOs so they can break away from past concepts of power and command and control.
management communication and develop more empathetic, dialogic, honest and trustworthy communication.

Relationship management theory requires that the CEO is aware of the needs of their key stakeholders and that they ensure those stakeholders understand the purpose of their communication interactions. This research provides a framework of communication behavioural attributes that a CEO needs to consider to meet the communication expectations of key external stakeholders to attempt to ensure a mutually beneficial outcome. A strong link between a CEO and organisational reputation and communication was also established as a result of the research.

The study used mixed methods (qualitative and quantitative) to collect data and an interpretive qualitative analysis identified the core communication behaviours/attributes competencies from the managerial and communication literature. The result of this study will assist future boards and executive search companies to assess a new CEO communication competency dimension when seeking CEO candidates. This research also adds to the academic body of knowledge on relationship management as it provides firm evidence that the theoretical basis of the construct has a practical application that will be of value to those studying this field.
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Chapter 1: The Chief Executive Officer as Chief Communication Officer: Developing a CEO communication competency framework

1.1 Introduction:

The question of how a Chief Executive Officer communicates, and what is required to practice communication at the highest level of management, it is argued, is a topic worthy of detailed exploration. This thesis will therefore present a strong theoretical basis for understanding what communication behavioural attributes and competencies are sought by a CEO’s external stakeholders to assess how effectively the CEO is managing the organisation’s financial, social, political and cultural capital. This thesis also draws on other communication specialisations and academic disciplines to examine the complexities of leadership communication and organisational effectiveness. The scholarship of this thesis is the “result of a confluence of factors- social, political, epistemological, and even economic” (May and Mumby, 2005, p.3). To explore and understand how external stakeholders perceive the communication behavioural attributes of a CEO requires an analysis of the ontological and epistemological factors that comprise communication between external stakeholders and a CEO.

Systems theory (Gregory, 2000, p.267) is the overarching foundation for this research, because all interactants to the communication dynamic need to work in an open environment where there is a continuing flow of information within the system and “the organization as a whole is responsive to environmental change.” Systems theory, as a paradigm, explains that all the sub-systems of an organisation need to work openly and harmoniously to achieve organisational effectiveness. This requires regular communication, across and down and up the organisation and with external stakeholders. External stakeholders look to the CEO to provide regular, transparent and truthful information about all aspects of the organisation’s activities. If groups within an organisation do not communicate openly then the opportunities for information to be withheld can occur, sometimes deliberately, to score political points, and the concept of an
organisational silo can occur where there is no communication with other units within the organisation.

This closed approach inhibits organisational effectiveness. The organisation communication literature has many examples of severe damage being caused as a consequence of a lack of communication either internally or with external stakeholders. In chapter two the creation of an organisation through communication is discussed in depth.

Within systems theory there is the concept of adaptive feedback (Buckley, 1967) which involves shared meaning and mutual understanding. Gregory (2000, p. 269) quotes Cutlip, Center and Broom, 1994) than an open system maintains relationships by “adapting and adjusting both themselves and their publics to the fluid social, political and economic environments.” Gregory (2000, p.273) refers to the concept of organisational ecology which emphasises “that organisations are part of a much wider system which is interdependent and where relationships between organisations are subject to evolution and change.” Shared sense-making and making meaning can only occur when there are relationships between all parties to the interaction. One of the creators of the relationship management perspective, Ledingham (2003, p. 181) states “the notion of relationship management is consistent with major theoretical concepts such as systems theory.” Therefore relationship management theory requires that external stakeholders and a CEO jointly create the meaning of their communication. Bolden and Gosling (2006, p.154) quoting Pondy (1978) referred to leadership as a “game where through the use of rhetoric and framing” leaders can shape the understanding of others and Bennis (1984) argued from his research that one of the cornerstones of leadership was the importance of meaning. “Leaders integrate facts, concepts and anecdotes into meaning for the public.”

The ability of organisational leaders (Chief Executive Officers) to be understood by external stakeholders in today’s highly competitive national and international markets, can be “make or break” for the leader. How a Chief Executive Officer’s communication can also positively influence an organisation’s financial, social, political and cultural capital (Lyon, 2008) is also examined in this research. The CEO of any organisation is perceived as the embodiment of that organisation by all external stakeholder groups (investors, analysts, governments) and this perception is reinforced by the substantial coverage given to CEOs by a wide range of media (another key stakeholder group). CEOs are very visible to shareholders, market analysts, the media, suppliers, customers, governments (elected
representatives and bureaucrats), and communities, as well as activists. They are scrutinised for how they manage their organisation, the returns achieved, the quality of their organisation’s products or services and their corporate social responsibility track record. Academics from the fields of organisational communication, public relations, psychology, sociology, business, and leadership have researched nearly every aspect of what qualities an effective CEO should have except how their communication skills are understood and accepted by external stakeholders. Some "celebrity" CEOs, for example, Jack Welch, formerly of the giant United States firm General Electric ((Welch, J and Welch, S. 2005), or Richard Branson, CEO of the Virgin Group (Branson, 2012) have written about their management style and why they were successful. In passing they refer to how important it was that they could listen to key stakeholders and engage in regular, and as they saw it, effective, communication.

Conversely, other CEOs have had books and academic articles written about them that were critical of their leadership style. One example is Lyon’s (2008) article on former Enron CEO, K. Lay. Lyon (p.378) was critical of Enron’s overall “combative communication style” by its senior management team and CEO Lay and provided numerous examples of cursing, aggression and boasting, as well as making misleading and untruthful statements to fund managers. Words such as “combative,” “vulgar” and “threatening” (p.379) were regularly reported as being used by the CEO. All of these negative communication acts caused a huge loss of confidence and trust in the company and eventual prosecutions of the company and its senior management for breaching security laws, and the eventual total collapse of the company owing millions of dollars to investors and staff.

The shelves of management and leadership bookstores contain many titles on how CEOs need to survive the first 100 days of their appointment and there are many books for CEOs on various leadership styles such as charismatic, transformational, and transactional. Goleman (2000, p. 82-83) also added commanding, visionary, affiliative, democratic, pacesetting and coaching to the listings of CEO behavioural styles. These labels have drawn criticism from a range of academic commentators, such as Tourish (2008) as they mostly privilege the power of the top leader, and Tourish, Fairhurst (2007) and Robinson (2001) have argued that leadership is communicative discourse and dialogic and constructing meaning through a more participative and inclusive process. This aspect of leadership communication is analysed in more depth in the following chapter.
However, one critical element missing from all these academic research and management publications is the communicative attributes of a CEO sought by external stakeholders.

Every organisation has an impact on many thousands of people on a daily basis. Employees, boards of management, shareholders, analysts, the media, customers, suppliers, governments and communities all are recipients of some form of communication from a CEO. One of the findings of this thesis research is that investors in a company look to the reputation of a CEO when making decisions on where to place their funds and that reputation is driven by how the CEO is perceived by analysts and the media coverage they receive; communication is the primary means of creating that reputation.

As the research for this thesis proceeded, some surprising facts emerged. Seeking what communication behavioural attributes were prized by external stakeholders is unchartered territory. Communication is rarely addressed as specific senior management behaviour in Australian MBA programmes. A search of all Australian MBA programmes only identified one, University of Queensland Business School that has a specific “Communicating to influence” subject. A review of Australia’s top MBA programmes in 2012 by the Australian Financial Review Boss magazine is discussed in the next chapter to support the lack of communication subjects at the MBA level in Australia. According to Pincus and Wood (2006, p. 304) very few CEOs have integrated “communication-oriented principles into their everyday leader conduct.”

For the purposes of this research, how external stakeholders perceive communication by a CEO with them was the primary focus. A CEO has a wide range of communicative areas to be responsible for. These are the internal staff (providing a vision, demonstrating leadership); suppliers (managing an organisation that is ethical and one that people want to do business with); customers (being seen as trustworthy, providing quality products and or services); communities (socially and environmentally responsible); governments (contributor to the welfare of society); and investors/analysts and the media (reputation, stock price). Communication with external stakeholders by a CEO was an occasionally cited topic across a wide range of communication, public relations, and management and leadership journals, and there were numerous references to the need for effective communication by a CEO, but no specific research as to what external stakeholders are seeking when assessing if a CEO is managing all communication elements of an organisation. An example of the type of academic research to support this
view was the reference to healthy relationships between a CEO and their stakeholders that underlay business success from Pincus and Wood (2006, p.301).

“Relationship building competencies (that is, communicated-oriented and critical thinking skills) hold the key to a reconfigured CEO role that is, and must be, increasingly dependent for its effectiveness on the support of decisive internal and external constituencies.”

Investors, analysts, and media commentators have also publicly stated (Pore, 2010) that it is a core leadership attribute to effectively manage external relationships and also for a CEO to assume the dual leadership roles of personal and corporate identities as well as deliver quality business outcomes. Pincus and Wood (2006, p.298) state: “To stakeholders and others inside and outside the corporate castle, the CEO is, in essence, the organization.”

1.2. Defining communication behavioural attributes:

One of the issues confronted by the researcher was defining the terms of the thesis topic. The construct of “communication competence” was used generically in the early stages of researching and writing this thesis. As discussed in Chapter Two, it became apparent that even long-standing researchers in the communication field found it difficult to agree on how to define communication competence and what attributes comprised competence (Eadie and Paulson, 1984, p.393):

“Scholars disagree about both the nature of communicative competence and its measurement. Typical of this disagreement is the exchange between McCroskey and Spitzberg. McCroskey (1982) defined competence in terms of knowledge necessary to communicate appropriately and contended that a distinction needed to be made between skill and effectiveness in judging competence. McCroskey claimed that communication could be either skilled or effective without being competent. Spitzberg (1983) on the other hand, related competence to behaviour and contended that competence must be judged relationally, in terms of mutually appropriate and effective interaction. Each position could be supported by previous research and writing on the topic.”

Therefore the position taken here (and argued more fully in Chapter Two) is that a competency comprises a series of observable, measureable behavioural attributes. Woodruffe (1993, p.29) writes that a competence is a “discrete dimension of behaviour” and comprised a set of behaviour patterns a person brings to any position to perform with competence the tasks and functions expected of them. From the research for this thesis,
a set of generic behavioural communication attributes has been created based on a set of behaviours that have been identified from the literature (see Chapter Two).

An initial framework for defining competence and its components of behavioural attributes is:

**Table One: Behavioural communication attributes:**

a) Relationship building  
b) Interpersonal communication skills  
c) Ethical practice

CEO Communication competency

Each of the elements of this framework will be analysed in detail in this and future chapters. Future CEOs will need to be aware of the importance of how stakeholders perceive them and even current CEOs should understand that their communication competency is continually being evaluated by investors, analysts and the media. Taking this concept into the future, behavioural communication attributes must become a basis for developing training and education curricula in the tertiary sector and also for the creation of criteria for CEO recruiting and selection according to Van Ruler and de Lange (2003). It is argued that the behavioural communication attributes identified from the research will meet the Van Ruler et al. criteria and provide a framework for a series of CEO communication behavioural attributes that future boards, and executive search organisations can utilise to assess if a prospective CEO has the capacity to be an effective communicator when dealing with key external stakeholders. The vital role of communication as a leadership construct will now be analysed.

**1.3. Communication a vital CEO skill:**

The importance of effective communication at the most senior management level has been identified by a number of researchers in the communication and management fields. It has been noted by Madlock (2008), that the linkage between leadership and
competent communication has received limited attention by both communication and business academics.

For example, Madlock (2008) and Holladay and Coombs (1993) only studied leaders’ messages to their employees. The core basis for this thesis therefore is that leaders need to know how external stakeholders perceive them.

In the Australian academic and business environment, no studies in the field of Chief Executive Officer communication when dealing with key external stakeholders were found. There are some international publications that offer anecdotal material from former CEOs, but no formal academic analysis of what is needed to ensure a CEO understands the core aspects of how external stakeholders perceive their effectiveness in managing the organisation.

Agha, Alrubaiee and Jamhour (2012), argue that in today’s highly competitive business environment, every organisation needs to have a sustainable competitive advantage, and this can be in any number of areas (e.g. leadership, service, products, or technology). In the context of this doctoral research, one example of a competitive advantage is in the developing field of relationship management, which contributes to very strong ties between external stakeholders and organisational leaders. Through these strong communicative relationships, CEOs can create a positive flow of information through various channels (i.e. the media, or personal appearances at briefings, or public forums) and these in turn boost investor confidence. When investors and analysts follow a CEO, or attend briefings, they form perceptions of how the CEO is managing the task through their ability to communicate on the issues of concern to these external stakeholders.

The majority of relationship management researchers, Ledingham and Bruning (1998, 2000), Ledingham (2003), Hung (2005) and Chia (2008), have principally drawn from interpersonal communication studies to develop their understanding of the complexity of formal and informal exchanges that take place in the marketplace (Chia, 2008). This thesis widens the scope of this field through applying relationship management theory to the communication behaviours between external stakeholders and a CEO.

To demonstrate the wide range of fields required to find the behavioural attributes being sought, research parameters in this study include: business, leadership, risk management
and strategy development (from the social sciences); complexity, chaos, social capital theories and reflexivity (from psychology); framing and behavioural theory (from organisational communication); relationship management and social exchange theory; personal public relations, reputation and perception management and two-way communication theories (from public relations).

This thesis develops a framework of the communicative attributes and competencies that external stakeholders look for in a CEO that contribute to organisational effectiveness which is driven by relationship management theory (Ledingham and Bruning, 1998; Hon and Grunig, J., 1999; Broom, Casey and Ritchey, 2000; Grunig, J., and Huang, 2000; Hazleton and Kennan, 2000). It is argued that a cross-disciplinary approach yields a comprehensive, measurable and acceptable methodology for assessing what comprises the required CEO communication competencies because it draws on a wider range of fields than just those of communication.

1.4. The research question:

1.4.1 Background:

The genesis of this research developed over a number of years while the researcher was a senior communication executive in two of Australia’s leading financial services organisations. The researcher also worked as a strategic communication consultant to a number of international information technology companies. When commencing higher degree study about 15 years ago while still employed in the communication industry, the researcher was introduced to the fundamentals of what comprised effective internal communication methods. For the dissertation component of a Masters degree the researcher investigated some of the theoretical concepts that had been studied in the course while being involved in a major change management project. As a consequence the researcher was able to implement some of the concepts that had been studied and this demonstrated that there was a strong linkage between theory and practice. This practice-based learning was further enhanced when enrolled in the Charles Sturt University PhD programme.

Having worked for a small number of CEOs, the researcher was drawn to evaluate the effectiveness of their personal communication style when dealing with the media primarily,
and also with some external stakeholders (customers, suppliers, governments and communities).

In the broader business community, between 2003 and 2004, substantial negative publicity was being generated by the poor communication behaviours of the CEO of an Australian based organisation (James Hardie Industries). This case study drew the attention of the researcher to the topic of what was required for a CEO to be perceived as an effective communicator by a wide range of key external stakeholders, as this had an impact on individual and corporate reputations and also the relationships with those stakeholders (Appendix One).

The CEO of James Hardie Industries attracted widespread government, media and community condemnation for apparently failing to accept responsibility for the damage to the health of many thousands of former employees and also to those who used its products in the building and construction industries. In a similar timeframe, organisations in the United States such as Enron, WorldCom and Arthur Anderson & Co made negative international headlines that were the result of operating outside the securities law of the United States. Reading the news reports on these organisations it became apparent that the CEOs were somewhat to blame for the terminal state of the organisations they were responsible for, mainly due to communication failures. The deceptive and dishonest communicative behaviours of the CEOs of these organisations interested me because I was under the misapprehension they would be very aware of the potential damage of their actions. The combination of untruthful behaviours and flouting of stock exchange regulations caused these organisations to suffer huge losses on the stock market, with all three of those mentioned above, disappearing altogether.

1.4.2 Research question and Research Objectives:

The research question is:  What are the effective behavioural communication attributes of Chief Executive Officers that are valued by the external stakeholders of investors (shareholders), analysts (those employed by institutions to advise on investment decisions), and the media (financial and business columnists)?

Four Research Objectives were developed based on this research question: if CEO’s were perceived by key stakeholders as effective communicators, it would materially assist
the company to have a more favourable reputation among investors, analysts, the media, governments and the community and therefore deliver positive media and analyst reports and maintain the support of shareholders which would enhance theirs and the organisation’s reputation.

**Research Objective # 1:** Explore what behavioural communication attributes of a CEO are valued by media stakeholders when forming perceptions about a CEO’s relational capabilities.

**Research Objective # 2:** Investigate how the media views a CEO’s communication attributes of communication skills such as effective listening, openness, trustworthiness, and communicating a vision.

**Research Objective # 3:** Investigate the CEO behavioural communication attributes sought by investors and analysts when recommending an organization as a financial investment.

**Research Objective # 4:** Explore what behavioural communication attributes of a CEO are sought by investors and analysts when forming perceptions about a CEO’s reputational capabilities.

The objective of this research was to test the above four Research Objectives and to develop a conceptual framework that will allow future boards and executive search companies to have a matrix of CEO communication attributes and competencies sought by external stakeholders when searching for prospective CEOs.

**1.5 Developing a research strategy:**

The first formal steps in the development of this thesis used exploratory secondary research (Stebbins, 2001; Neuman, 2000; Marks and Yardley, 2004) to undertake a content analysis of journals and books from the public relations, organisational communication and business/leadership fields for references to senior executives, and specifically what were considered to be CEO communication behavioural attributes. No specific attributes were identified and this process was followed each year from 2008 through to 2012. As has already been discussed, a wide range of fields were initially
canvassed (leadership, management, business, organisational communication and public relations).

These searches then led to the further discipline areas of sociology, psychology, and the health sciences (where for example, communication is a core ingredient of patient-medical professional interactions). The outcomes of this research are described in detail in Chapter Two. The next stage was to make a detailed search of CEOs who were endorsed by their peers and professional bodies (i.e. Australian Society of Accountants, Company Directors Association) as having strong communication attributes. Many of these peer professional bodies had annual awards for CEO’s across a number of categories, one of which was communication with internal and external stakeholders. I was able to locate a number of CEOs described as being effective in delivering consistent, strong shareholder value, and being open and transparent with shareholders and analysts. Also non-government organisations such as Oxfam, Philanthropy Australia, and Beyond Blue listed many of the same CEOs as leading highly socially responsible organisations with strong environmental and community credentials. This form of response was a clear indicator of a good reputation. The CEOs identified at this initial stage of the research are listed in Appendix Five.

The third stage was to complete a detailed analysis of print and electronic media coverage of the selected CEOs and to also find any other external, independent reports that would confirm the initial findings. These assessments included scrutinising in-depth interviews with the CEOs by senior business media commentators on sites such as BusinessSpectator KGB (businessspectator.com.au), Leading Company (www.leadingcompany.com.au) and the major daily national news organisations such as the Australian Financial Review, The Sydney Morning Herald, The Age, the Australian and Sky Business News. This analysis sought references to any comments on how they perceived communication to be part of their role as CEO.

A further step involved making informal personal contact with leading senior business media commentators whom the researcher had worked with in the past. This was done through a series of informal emails seeking their views on which CEOs they considered to be effective communicators (the criteria given to them was the CEO’s responsiveness to media inquiries, their perceived sense of honesty and transparency, as well as being regarded as an effective manager of their organisation). At this stage all the
data collected was collated and analysed. A further refinement and authentication process was then to develop a set of questions that arose from the literature and CEO coverage for use in a series of in-depth (one and a half hour long) interviews with a selected number of the senior business media commentators.

The purpose of these interviews was to gain formal responses from the business media commentators as to what they considered to be the core communication behavioural attributes of the CEOs they regularly dealt with. The outcomes from these interviews would provide further proof of the communication behaviours considered to be effective by this key external stakeholder group. The researcher also had informal discussions with some retired, and some current board members, who also made valuable contributions to the development of this thesis by outlining the communication behaviours they sought when involved in recruiting a CEO.

The outcome of this research was that there is a gap in the public relations/organisational communication literature in this vital aspect of what communication behavioural attributes a CEO of today requires to meet the demands of key external stakeholders. The direction of this research therefore is to present a compelling case for communication to be accepted as a core CEO competency. Following is a summary of the theoretical framework on which this thesis is based (Mackenzie and Knipe, 2006):

**(a) Ontological assumptions:**

Based on the researcher’s previous roles as a senior organisational communicator, and a recent academic in the field of public relations and organisational communication, what is known is that CEOs are perceived by external stakeholders such as the media and investors and analysts as being the person who is responsible for the organisation’s reputation and financial management. In today’s more transparent, and accountable world, external stakeholders have a legitimate place in the social construction of organisations and how they perceive their relationship with the organisation’s leader. The organisation is a system that is a creation of all those who work in it, or who observe it and which is continuously being created and re-created. The CEO is the communication embodiment of the organisation and the researcher believes this role needs to be better understood by business leaders, academics and students of organisational communication.

**(b) Epistemological assumptions:**
The researcher has stated their beliefs about the nature of organisations and the role of external stakeholders in assessing the communication competency of a CEO. Objective data about the perceptions of external stakeholders was gathered from a variety of published sources, from personal interviews and a survey.

The publications were mostly refereed papers, the senior business media commentators who regularly interview and interact with CEOs and who are in a position to make judgements about how they perceive their communicational attributes, and investors and analysts who constantly review all aspects of how a CEO manages an organisation. This knowledge forms the basis of the outcomes of the thesis.

1.6 Research design:

The research design chosen to identify what CEO communication behavioural attributes are sought by external stakeholders is an applied interpretive approach based on principally qualitative methods.

a) An initial secondary data literature review and content analysis of a wide range of management/leadership, organisational communication and public relations sources identified a number of possible leadership communication behavioural attributes;

b) A detailed search of Australian CEOs from Australian media sources revealed a number who were recognised by peer bodies as being effective leaders and who were recognised for their communication skills (secondary data);

c) In-depth interviews (primary data) were conducted with eight senior business media commentators to find their perceptions of what comprised effective CEO communication and also to identify those CEOs they considered met their criteria;

d) A detailed search for any media statements, speeches, or profiles of 20 of the selected Australian CEOs identified in b) was then made and a content analysis of this material was made to find any linkages between the words that came from the earlier literature analysis and the media interviews. This was also secondary data and a mixed methods approach was now taken to complete the research elements of the thesis;

e) From the material taken from the literature, content analysis and interviews, a questionnaire was developed for sending to a selected 30 of the leading investors
and analysts in Australia. This questionnaire, to obtain further primary data, used the core words that came from the prior analysis and asked the investors/analysts to rank order them, and to also express their perceptions about the relationship between a CEO’s reputation and their decisions to invest or otherwise in a company;

f) All the findings from the prior research were then triangulated to complete a matrix of valid CEO communication behavioural attributes. A detailed discussion of the methods used is in Chapter Five and the findings are in Chapter Six.

1.7 The role of the CEO as a communicator:

“To a greater extent than ever, CEOs bear the weight of the world on their shoulders”


Organisational leaders (for the purpose of this thesis this means Chief Executive Officers) face a wide array of external communication challenges. Communication strongly influences relationships with investors, analysts, media, governments, suppliers and customers and communities. CEOs must manage these relationships and deliver effective business outcomes that increase shareholder value, and also position the organisation as a reputable and responsible citizen. Madlock (2008, p.61) stated that leadership and competent communication had received limited attention in academic research. He quoted Holladay and Coombs (1993) who posited that leadership was a behaviour enacted through communication. Holladay and Coombes (1993, p. 411) suggested that communication shapes the perceptions of a leader’s charisma, but that was the limit of their analysis. Groysberg and Slind (2012, p. 129) refers to the wider conversation now being held between leaders and their external environment. “Out in the marketplace and in the public square, an array of third parties- mainstream journalists and online gadflies, satisfied customers and disgruntled citizens, eager investors and eagle-eyed analysts- are constantly feeding and shaping that conversation.”

This conversation, they say, can have a large and cumulative impact on reputation and company image and also that the organisational leader “long sought to conduct this external conversation on their own terms (p. 129).” However, with the changed contemporary technological landscape where anyone can become a journalist or
commentator, and organisational members comments can often be tracked by external stakeholders, CEO’s need to be aware that the control they exercised earlier is rapidly changing. They need to be aware that today’s 24/7 news and information cycle must be managed and monitored and that their communication role has taken on a higher level of significance.

Smythe (2007, p.160) in another anecdotal book on leadership and communication writes, “The leader, like the politician, must recognise that they will be mostly judged indirectly on the basis of their performances in the media, over which they have some influence, and the new media, the Web and intranet, where they have much less or no influence at all, aside from the credibility of their approach.” This sends a strong signal that perceived credibility with key external stakeholders, investors and analysts, as well as the media, is a core communication behavioural attribute required by a CEO.

A 1984 survey of CEOs from 5000 United States companies conducted by the American Management Association, asked, “What are the three most important things you have learned to perform your role as an executive?” Communication was ranked as number one (Margerison & Kakabadse, 1984). Yet, when these same authors did a more detailed analysis of the same CEOs seeking their views on management development, communication was not listed at all as a key influencer on their own career development (Margerison and Kakabadse, 1985, p. 4). Hartman and McCambridge, (2011, p. 25) also referenced Margerison and Kakabadse’s 1984 survey when they reported on a survey of Fortune 500 vice presidents by Olney (1986). This survey supported the 1984 finding with 97.7% of the vice presidents stating they believed that communication skills had contributed to their advancement to a top executive position. Hartman and McCambridge then made the point that college graduates needed to “demonstrate effective communication skills” (2011, p.25) as such skills had been directly linked to organisational success.

Drawing from the organisational communication literature on effective internal communication, Clampitt and Downs (1993) reported that positive outcomes included: improved productivity, reduced absenteeism, higher quality services and products, increased levels of innovation and reduced costs. The researcher makes the point that these positive outcomes can be extrapolated into the external environment. Madlock (2008) found that a supervisor’s communication competence was the greatest predictor of
employee job and communication satisfaction and if a CEO was an effective communicator then key external stakeholders should perceive the CEO to be delivering quality organisational outcomes.

Based on this evidence it is imperative that CEOs understand how external stakeholders such as the business media receive and understand their meaning if they wish to win their confidence and ensure at least positive media reportage.

CEOs also need to encourage investors to hold or buy stock based on their favourable perception of the communication behavioural attributes and reputation of the CEO and their organisation. The CEO has a pivotal role in telling the organisation’s story to key external stakeholders and the CEO needs to be aware of what competencies and attributes will enable them to meet the expectations of those stakeholders.

The linkage between a CEO’s reputation and communication is also an important variable, and the literature on this factor is discussed in detail in Chapter Two.

Garten (2001) interviewed a large number of United States and European CEOs on the subject of business strategies and concluded that today’s CEO needed to be the commanding general, coach, cheerleader, strategist, tactician, financially astute, technically savvy and a down-to-earth communicator. They also needed to be business stateswomen/men. These attributes needed to be tested with external stakeholders to find which communication behaviours have the highest level of acceptance. The changes in the business environment world-wide have blurred the boundaries between the private and public sectors; issues of corporate social responsibility, environmental management and managing sovereign risk are now included in the remit of most CEOs. This only emphasises the importance of being an effective CEO communicator. A small group of management writers (Pincus and deBonis, 1994; Puth, 2002; Mai and Akerson, 2003) have commented that communication can materially affect relationships between CEOs and shareholders, suppliers, customers, governments and communities.

A United States CEO, Ray Hawley, quoted by Pincus (1994, p.116) says, “our ability (as CEOs) to communicate effectively, as opposed to just communicating, makes a big difference in results- and that’s true internally as well as externally”. However, these writers only provide anecdotal discussion and no qualitative or quantitative evidence in support of their points of view. Australian research into CEOs by Sarros and Moors (2001,
p. 55) found "they were aware of other people’s needs and had a high level of emotional literacy; that is they could read a situation and know what their staff needed in order to become motivated and empowered." These researchers found that CEOs were able to make thought decisions, were aware of their own weaknesses, and had a sense of realism "about what they can and cannot achieve" (p.55). Sarros and Moors also reported their research subjects had strong personal values and ethics "which often formed the cornerstone of the culture of the leader's company and in ways of doing business (p.55)."

Transformational ability is also referred to by the same authors as a "combination of having a vision and of being able to execute that vision by galvanising and inspiring others to undertake the work (p.55)." There was no discussion regarding the role of power in how a CEO managed their role. There are also references (p.61) to "emotional literacy" and "empathy" (p.62). One of the CEOs interviewed reframed issues or problems, and represented them in a way that empowered people to work with them. This approach required a mix of "empathy, listening skills, sensitivity to others' issues, and ability to influence others" and was provided as evidence that this CEO was demonstrating effective leadership behaviours. Sarros and Moors refer to Kirkpatrick and Locke (1991) who reported on the traits of successful leaders that coincide with many of the communication behavioural attributes identified from the literature review for this thesis. These were honesty and integrity, emotional stability, cognitive ability, and creativity and flexibility that are grounded in "strong ethical principles that originate from a sound and socially responsible values base" (p. 65). The authors also cite Goleman (1998) and Goleman’s introduction of emotional intelligence as a necessary leadership attribute. Sarros and Moors present the view that emotional intelligence comprises the following attributes of being able to make a realistic self-assessment, show trustworthiness and integrity, have a drive to achieve, demonstrate cross-cultural sensitivity and being persuasive.

Sarros and Moors (2001) conclude their research with a discussion of today's business environment and especially the changing patterns of external engagement with key stakeholders that is driven by digital technologies. They state that regardless of today's ever changing business environment, some aspects of effective leadership still hold firm, and this includes "a high level of integrity and trust, consistency between leaders' speech and behaviours, and the capacity to articulate a shared vision in appealing ways" (p.162), and in the new e-business environment, an added quality was "superb communication and public relations skills."
1.8 Defining stakeholders and managing relationships:

Stakeholders are defined for the purposes of this thesis as those groups who can have a positive or negative impact on a CEO and an organisation’s reputation. Jensen (2002), referring to stakeholder theory, stated that managers needed to make decisions to account for the interests of all stakeholders in a firm, and these included all individuals or groups who can substantially affect the welfare of the firm.

The business media, and investors and analysts have been selected as key stakeholders for the purposes of this thesis because of their influence over how a CEO is perceived in media reports, interviews, on public platforms and in analysts’ reports. Analysts and investors have large financial stakes in organisations and one of the outcomes of this doctoral research is to identify the linkage between investor/analyst perceptions and sell, buy or hold recommendations, and to identify which CEO communication behavioural attributes they rate the most important.

Bourne (2011, p.1003) discusses how organisational wealth can be formed or forgone through relationships with stakeholders of all kinds and quotes Post and Sauter-Sachs (2002, p.11), “Therefore managing relationships with stakeholders for mutual benefit- is a critical requirement for corporate success.” Bourne (2011, p.1017) in an analysis of stakeholder issues references reputation, credibility and trust, all attributes that also inform the communicative behaviours expected of a CEO. Bourne refers to “understanding the expectations of stakeholders and to communicate in the language that matches their own roles and experience” and the need to “develop and maintain networks as a source of influence and access to power” (p. 1018).

The CEO’s critical task is to build value for stakeholders over time. For media stakeholders this can mean being available for comment, for analysts the ability to be seen as transparent and honest in reporting the organisation’s activities, and for shareholders, being able to deliver value.

“This means that CEOs will not only have to run profitable companies, but they need to build great institutions that provide customers with superior products and services, create high quality jobs, and in the process make life better for the population at large,” observed Garten (2001, p.14).
1.9 The CEO communication issue:

When Chief Executive Officers are perceived not to communicate effectively with key external stakeholders, such as investors, analysts, the media, governments and communities, this can lead to an erosion of reputation, a reduction in social capital (Bourdieu, 1986), a fall in the value of financial capital (Chen, Cheng and Hwang, 2005), a diminution of human capital (Beeton, 2006), a loss of knowledge capital (Beeton, 2006) and a contraction of political capital (Davies and Mian, 2010). This impact of poor perceptions is not new. Management guru from the 1960's and 1970's, Peter Drucker stated, “Communications are by and large just as poor today as they were twenty or thirty years ago when we first became aware of the need for, and lack of, adequate communications in the modern organization” (1967, p.67).

One of the points of view that has arisen from this research is that communication is treated as a “given” in management texts and is rarely taught in business schools. Public relations/corporate affairs practitioners understand the central role of communication in ensuring a two-way dialogue between external stakeholders and the CEO but it is not a competency that leaders are trained in. This has been emphasised in the findings of Madlock (2008), Margerison and Kakabadse (1984, 1985) and Hartman and McCambridge (2011), who referred to the importance of communication as a managerial competency but which did not rate highly in CEO surveys. Business communication texts (Eunson, 2005; Ettinger and Perfetto, 2006; McKenna, Thomas, Waddell and Barry, 2007) refer to writing and speaking skills needed at the lower executive levels but not the communication behavioural attributes required of senior management.

It is the view of the researcher that there is an assumption by many academics (Mintzberg, 1973, 1975), for example, and management writers (Goleman, 1996; Collins, 2007; Kotter, 1988; and Pincus and DeBonis, 1994) that as people rise through the ranks their communication skills are “taken for granted.” Therefore, success in being appointed to the CEO position is not necessarily an indication of an ability to listen, to assess the communication environment, and then to develop appropriate responses.

Goleman (1998), who has built a niche in the business/leadership field for research into emotional intelligence as a specific attribute, argues that leaders need to have a strong awareness of what comprises empathy. He wrote that empathy builds on self- awareness
and the more people are open to their emotions, the more skilled they will be in reading feelings. Further research by Goleman (1998, p.162) found that that standout people "cultivated good relationships with people whose services might be needed". This reinforces further the findings from the literature review, that managing relationships is a core communication behavioural attribute. Goleman also mentions networks: one is a communication web, the other is an expertise network, and the third one is a trust network (p.162).

Communication and trust networks were the domain of the high empathetic high achiever, and these capabilities were linked to persuasiveness and seeing things from the perspective of others, such as customers. This evidence confirms the need for a CEO to demonstrate empathy, build and manage relationships and also create communication networks based on trust.

1.10 Leadership attributes and the communication dilemma:

The field of leadership and its various dimensions have mainly been the domain of researchers from business disciplines. Dubrin and Dalglish (2003, p.3) state “about 35 000 research articles, magazine articles, and books have been written about leadership." An assessment of leadership from these publications delivers phrases such as dealing with change, inspiration, motivation and influence, but communication as a specific competency needed to achieve these positive leadership outcomes is rarely mentioned. Numerous leadership styles have been comprehensively analysed and researched and many theories developed as a consequence, including charismatic, inspirational, visionary, transformational, transactional, contingency, situational, and strategic styles.

When discussing leadership, the business/management literature (Bennis, Spreitzer and Cummings, 2001; Dubrin and Dalglish, 2003; Bass, 1990; Moore and Sonsino, 2003; Overton, 2002; Maak and Pless, 2006; Hargreaves, 2006; and Grint, 2005) refer to the attributes identified above and state that these can be assessed through a wide range of psychological, sociological and managerial tests. Potential leaders are then trained and inculcated with such skills to be effective leaders.

Effective personal communication attributes, however, are not included in these leadership dimensions. Bambacas and Patrickson (2008, p.64) refer to communication when
discussing the essential competencies for a career in human resources. Their research highlighted the need for interpersonal communication skills to enhance employee commitment. They also found that transparency and trust were also desired outcomes of effective communication.

It is argued that organisational leaders need the skills and commitment to be as effective communicators as they are in their stewardship of the financial, sales, manufacturing, marketing, human resource, and other aspects of corporate governance for the organisation.

This thesis therefore delivers the missing link between business/management studies and the communication discipline.

This missing link is supported by a comprehensive assessment of academic studies into what comprises reputation, leadership style, and competence. These include the link between a CEO's reputation and the organisation (Dowling, 2006; Mahon and Wartick, 2003; Schwaiger, 2004; Bruning and Ledingham, 2000); relationships between stockholders and the board (Segars and Kohut, 2001); an organisation's ability to be profitable (Cianci and Kaplan, 2010; Karuna, 2006; Penley, Alexander, Jernigan and Henwood, 1991); the impressions of financial analysts (Westphal and Graebner, 2010; Penley, Alexander, Jernigan and Henwood, 1991); corporate reputation and performance (Schwaiger, 2004; Cianci and Kaplan, 2010); the relationships between intangible organisational elements and organisational performance (Carmeli and Tishler, 2004); CEOs and the press (Park and Berger, 2004); analyst/investor communications (Kohut and Segars, 1992); negative communication behaviours (Alexander, 2006) and relationships with political elites and regulators and communities (Davies and Mian, 2010; Davies, Chun, da Silva and Roper, 2004; Davies, Chun and Kamins, 2010; Bronn, 2007; and Murray and White, 2005).

All of the managerial tasks outlined above require an understanding of communication attributes and overall competency in managing key external stakeholders. As outlined at the start of this chapter, there are many more examples of CEOs who have apparently not understood that communication skills are an essential part of their senior managerial skills and have engaged in a range of inappropriate behaviours that have destroyed their careers and in many cases destroyed their companies. These behaviours have included
abusing the trust of investors (for example, Jerry Yang of Yahoo); neglecting core precepts of government relations (George Trumbull, former CEO of AMP); ignoring the media (Frank Cicutto, former CEO of National Australia Bank and Tony Hayward, formerly of BP); and abusing the trust of their board (Frank Hurd, CEO of Hewlett-Packard for inaccurate expense reports, http://www.nytimes.com/2010/08/09/technology/09hp.html).

Hurd of Hewlett-Packard did not escape censure even though the company averaged annual 18% profit increases.

Gunns, a Tasmanian company, did not recognise the impact of activists when developing a new paper mill in Tasmania and failed to realise that communication with their bankers, and local community had broken down, which resulted in construction of the mill being put on hold.

A case study (Appendix One, http://www.adelaide.edu.au/anzca2006) on an Australian CEO, namely Mr Peter Macdonald of James Hardie Industries, is an example of where a CEO did not understand the wider implications of a number of decisions and failed to communicate these to asbestos victims, governments, shareholders, analysts and the media. This case study is a foundation for the development of this thesis. If any of the CEOs referred to above had understood their role as chief communication officer and chief reputation manager, they might have thought twice before taking a course of action that destroyed their personal reputation and that of their company.

Guay (2010, p.1) stated that boards use a wide range of criteria to judge a CEOs performance, even down to how:

“they conduct themselves off site. The board cannot ignore unfavourable perceptions by employees or the general public, as these perceptions can often be important to the CEO’s leadership qualities and effectiveness. The board might decide to remove a CEO from power even if the company is doing well.”

Statements such as this are evidence of a shift in how important the reputation of the CEO and their organisation is to boards and also external stakeholders, especially investors, and also the need to be an effective communicator to ensure these relationships are well managed.

Other examples of the new forms of pressures on CEOs is managing international relationships; facing higher levels of scrutiny through the advent of the world-wide web;
dealing with increased action by governments (i.e. resources taxation), and communities (environmental activism). This means they need to have a very deep understanding of the role of communication and how those attributes and competencies enable them to fulfil all the tasks now expected of them.

1.11 Conclusion and outline of the thesis:

This chapter argues that the management/business and communication literature does not have a construct that recognises an important skill for CEO’s, that of being aware of the high level communication behavioural attributes when dealing with key external stakeholders.

Today’s competitive international business environment places more pressure on CEOs to have a stronger sense of how their reputation and their organisation are inextricably linked. As well, higher levels of transparency, due to technological innovations, require CEOs to understand and be aware of the perceptions of investors, analysts, the media and communities. The research for this doctoral thesis draws on a cross-disciplinary approach to the research question. The thesis is organised as follows:

Chapter Two is a literature review of the management/leadership, organisational communication and public relations fields with the emphasis on finding what comprises CEO communication behavioural attributes. The development of numerous leadership styles is discussed as is the dearth of academic research into the topic. Empirical evidence was sought for any specific studies into CEO communicative attributes. The link between communication and reputation is examined. A series of communication behaviours are identified from the literature as the basis for developing a framework of core CEO communication behavioural attributes. Chapter Three is the search for a theoretical foundation and the selection of relationship management theory as the basis for the thesis. The communication behavioural attributes that a CEO requires to be an effective manager of relationships with key external stakeholders are identified. Research Methods are in Chapter Four, data analysis and findings is Chapter Five and Chapter Six provides the conclusions to the research and outlines how the findings from this thesis can be put into effect in the marketplace.
Chapter 2: A review of the leadership, management, organisational communication and public relations literature:

2.1 Introduction:

As outlined in Chapter One, the need for a CEO to be an effective communicator is a leadership skill that impacts the organisation they lead, and their own reputation in the marketplace. Dealing with key external stakeholders and being able to positively influence an organisation’s financial, political, social and cultural capital is a contemporary senior management attribute that has only recently been subjected to detailed academic research.

This chapter reviews the rich history of communication as a social science and its application to the disciplines of management and leadership, organisational communication and public relations. The discussion starts with the concept of communication science as the basis for analysis, and communication as a specific leadership behaviour. It then moves to discuss the debate between researchers as to what comprises an organisation’s communicative capability and the communication theory of the firm and assesses the ontology of organisational communication and leadership. The linkages between communication and organisational culture are analysed as is the role of discourse and the CEO’s contribution to that discourse as a core element of leadership communication. The role of strategic planning is also reviewed, as is sense-making leadership competency frameworks. The concept of the CEO as the Chief Communication Officer (CCO) is introduced. From the literature five communication behavioural attributes have been identified and they contribute to the development of a practical framework on which to build the construct of CEO communication behavioural attributes.
2.2 The science of communication:

Communication is the sharing of ideas, knowledge or feelings (Lewis and Slade, 2000). The literature on communication science, leadership, and the discipline-specific sub-sets of organisational communication and public relations are examined in detail.

The rationale for this research developed from working as a senior communication advisor to a number of CEOs and having first-hand experience of how they were perceived initially by the business media. CEOs that were responsive to interview requests, who agreed to requests to speak at industry events, who sought feedback on their public presentations and statements, and who were open with staff were reported positively or neutrally, and their organisation appeared to be performing well (i.e. profitable and, or a market leader). This raised a question as to how were these CEO’s perceived by the business media stakeholders, and for listed company’s what were they doing that made investors and analysts deliver positive recommendations on the stock price of the CEO’s organisation. The extensive review of a wide range of literature from the disciplines referred to above found very little discussion on what were the required communication behavioural attributes of CEOs sought by external stakeholders.

Zorn (2002) highlighted the artificiality of the divisions between business communication, organisational communication and public relations. In 2004 Simpson and Zorn made a more detailed study into what comprises organisational communication, taking an International Communication Association (2004) description that it comprises the “description, analysis, understanding and critique of communication practices in contemporary organisational life,” (ICA, 2004, p.7). In this same article they said communication practices applied to “messages, interactions, communication behaviours, communication strategies, symbols, and discourses” (2004, p. 18). These researchers were making an academic connection between communication as a science and organisational communication, management and leadership as a discipline. Macnamara (2012, p.21) found that communication is a “central activity in public relations” and a view such as this supports the multidisciplinary approach being taken for this thesis.

These viewpoints discussed above prove how complex this field is and how scholars from management and leadership disciplines have differing viewpoints from the organisational
communication and public relations disciplines as to the primacy of their particular field of communication study.

2.2.1 Communication and leadership:

Dealing with communication as a specific leadership behaviour, Holladay and Coombs (1993) state leadership is a behaviour enacted through communication. Specifically, these two authors reported that communication shapes the perceptions of a leader’s charisma. Communication can be divided into the content of the leader’s messages and the presentation of those messages. A CEO should have an understanding of how to construct an effective message and then be aware of the needs of those who will receive the message so that a mutual meaning can be constructed. Leadership deals with change, inspiration, motivation and influence. It is argued that all these aspects of leadership have a strong communicative aspect to them. Also numerous leadership styles have been comprehensively analysed and researched over the past 30 years and these styles have attracted significant managerial academic research.

The styles include: charismatic (Conger and Kananga, 1987, and 2006, 2008; Conger, 1989); inspirational (Bass, 1990); visionary (Wesley and Minzberg, 1989); transformational (Bass and Reggie, 2005); transactional (Bass, 1990); contingency (Fiedler, 1971); situational (Grief, 1983); and strategic (Bola and Hooijberg, 2000). The literature on leadership from management texts also discusses how the styles referred to above can be assessed and potential leaders trained and inculcated with the skills to be effective leaders (Bennis, Spreitzer and Cummings, 2001; Dubrin and Dalglish, 2003; Bass, 1990; Moore and Sonsino, 2003; Overton, 2004; Maak and Pless, 2006; Hargreaves, 2005; and Grint, 2005). However, there is minimal discussion or attention paid in any of these writings to the requirement of communication as a core management attribute. Communication scholars, such as Grunig & Grunig and Ehling (1992); Oliver (2000); and Argenti (2003), understand the need for effective communication as a managerial attribute. They argue that communication should be a core element of any academic managerial curriculum.

Tourish (2008, p.2) supports Fairhurst’s approach that leadership is iterative, co-constructed and discursive. There are references to leadership being “socially constructed by the discourse of organizational actors and conditioned by power, status, force and intrigue.” Tourish is critical of the transformative approach to leadership, arguing that it
provides too much power to the holder of the senior position in the organisation. Fairhurst (2007, p. 3) argues that leadership (based on the early work of Mintzberg (1982), and Grint (1997, 2000), is inventive, an art, not so much a science; and that persuasion should carry the day. This concept of leadership as a communicative role is supported by Robinson (2001), quoted by Fairhurst (2007, p. 6) that leadership is when ideas “expressed in talk or action are recognised by others as capable of progressing tasks or problems that are important to them.”

She also refers to leadership as a process of influence and meaning management; it is an “attribution made by followers or observers” (p. 6). These approaches of Tourish and Fairhurst, I argue, support the perspective that CEO communication behavioural attributes are shaped by the context of the communication interaction between the CEO and key eternal stakeholders (“followers” in the sense that they observe how a CEO contributes to the organisational discourse). Tourish (2008, p. 5) argues for a more dialogic and communication-oriented approach by leaders (in my case, CEOs) when constructing meaning through a more participative and inclusive process. De Villiers (2013), when reviewing Tourish’s book, The Dark Side of Transformational Leadership (2013), quotes Tourish as encouraging practitioners and educators to revisit stakeholder perspectives. Therefore ascertaining the perspectives of key external stakeholders toward the communication behavioural attributes of CEOs when making decisions about their leadership outcomes has been demonstrated as being a vital attribute.

2.2.2 Leadership competency frameworks:

Bolden (2004) researched the existing leadership competency frameworks and found missing elements were trust, ethics and emotional intelligence. He also stated that communication was a social dimension of leadership and that many competency frameworks were not credible because of they not include the above elements as well as transparency, integrity, respect and clarity of vision. This drew my attention to the need for these elements to be factored into the research for this thesis. Bolden (2004, p.7) stated that a leader “must be responsive and adaptive to the social context.” The position of the researcher is that these elements need to be considered when a CEO is assessing how they are going to respond external stakeholder questions, or when addressing them. Bolden and Gosling (2006) when investigating behavioural competencies of leaders reported that leaders need to be aware of how they socially construct reality and what the
expectations of external stakeholders were. This thesis explores the CEO communication behavioural competencies that external stakeholders expect with the purpose of answering the Research Objectives (see Chapter One).

The Global 2011 Corporate Recruiters Survey highlighted the most important skill employers want in MBA graduates is communication. This was an international survey of 1500 people in 900 companies in 51 countries, conducted by the Graduate Management Admission Council, and it was found that the top five criteria sought were, in priority order: strong communications skills, initiative, professionalism, motivation and integrity (Edgington, 2011). These findings were reported in the Australian Financial Review on 29 August, 2011.

The most authoritative and comprehensive survey of leadership research, Bass and Stogdill's Handbook of Leadership (Bass, 1990), contains 37 chapters, none of which is devoted to communication. The topic of communication is only discussed very briefly in two other chapters of that book. However, leaders, states Puth (2002), see communication as one of a number of functions; yet, as has been identified in Chapter One through the number of CEOs who have not understood the importance of communication, there still remains an issue for leaders to be aware of the need to be able to communicate effectively with external stakeholders and to ensure that meaning is shared.

“Good leaders are inclined to have a better understanding of communication and an ability to communicate well in interpersonal and group situations” (Puth, 2002, p.12).

Puth (2002, p.12) also argues that if people and leaders are inept communicators, "the general level of communication will remain poor."

### 2.2.3 Organisational communication and culture:

Bisel (2010), Kuhn (2008), Putnam and Nicotera (2009), Jarzabkowski and Balogun (2009), Maitlis and Lawrence (2007), and Weick, Sutcliffe and Obstfeld (2005) provide a wider perspective of organisational communication as a core element of organisational culture. Bisel, Messersmith and Keyton (2010, p.343) refer to organisational culture being a “dominant topic across management, organizational behaviour, organizational change, and organizational communication texts.”
An organisation exists through communication (Fairhurst and Putnam, 2004). The communication culture of any organisation is a combination of how senior management is seen to manage interactions internally and externally. If external stakeholders perceive a CEO to be willing to respond to media calls, or is agreeable to interviews, or demonstrates warmth when meeting senior business media, then it is often said that the communication culture in that organisation is strong and reflective of an understanding of the importance of communication as a core element of how the organisation interacts with elements of its system.

Bisel et al (2010, p. 346) quote Cheney and Christensen (2001) that the domain of an organisation’s communication consists of “textual and spoken interaction among internal and external audiences characterised by permeable boundaries.” This observation can apply to all communication between a CEO and external media and investor/analyst stakeholders. How these stakeholders observe quarterly, half yearly or annual briefings by a CEO reflect the organisation’s culture and these perceptions need to be analysed and understood to help a CEO manage future interactions that enhance theirs, and the organisation’s reputation. An example of how culture can negatively harm an organisation is the Enron case study where the communication culture stifled any dissent, where the leadership team was aggressive to staff and external media who wanted to question the CEO and this resulted in the CEO and the organisation being enveloped in a tide of negative media and investor commentary that eventually caused the company to fail.

2.2.4 Organisational communication and trust:

A core finding from the literature was the importance of trust. Kuhn (2008, p.1229) examines stakeholder interaction with the firm and refers to the role of trust, where creating trust requires meeting stakeholder demands for “responsibility, sustainability and dependability.” The trust of external stakeholders has to be earned, and this aspect of stakeholder engagement was included in the development of the Research Objectives.

The role of trust as a central tenant in any discussion of relationship management is assessed in depth and this is further supported by research by Doorley and Garcia (2007, p. 280) who also argue for a communication toolbox for leaders to develop and use. They argue for framing to create appeal and manage meanings that key external stakeholders will respond to and that “effective communication today centres on the individual as much
as possible and leads to developing a relationship. Relationships are built on trust. “To be trusted, be trustworthy” (Covey, 2012). They note that developing trust requires competency, caring and character. Hart and Quinn (1993) supported many of the points made above regarding the role of the CEO in managing their increasingly complex and multi-faceted roles. These facets of CEO communication competency are further supported by the Gaines-Ross’ (2000) communicative qualities referred to above. These were: setting a vision (supported also from this literature review); being an external boundary-spanner and knowing the importance of external communication networks; having multidimensional views such as liaison with key external stakeholders and being a spokesperson; and being able to model behaviours for the organisation (innovator, sets values, is efficient and results oriented).

It is argued that a CEO's understanding of their role as the Chief Communication Officer is a core behavioural attribute that should be an inherent condition of their CEO position. Their behaviours toward managing theirs and the organisation’s reputation can have a significant impact on the perceptions of key external stakeholders (investors, analysts, and media).

2.2.5 Organisational communication and dialogue:

Kuhn (2008, p.1231) found that organisations are “communicative constructions” and it is the view of the researcher that communication is the process by which organisations come into being. Through analysing meaningful behaviour, such as how external stakeholders respond to CEO messages, it is possible to scope those communication behavioural attributes that can be posited as the elements of a framework that can be further tested through research. Although the written word is not dialogue as such, Kuhn (2008, p.1236) has stated that texts are the observable substance of conversations. Therefore this researcher argues that the transcripts of CEO presentations to external publics, published media interviews and other corporate communication are “authoritative texts” that represent, mediate, or link authentic conversations between external stakeholders and a CEO. Kuhn (2008, p.1242) also refers to generating stakeholder consent through “textually mediated coordination and control” as this activity helps attract capital and I also would state contributes to the reputation of the CEO and the organisation.
2.3 Communication as a specific leadership behavioural attribute:

It is acknowledged among the most widely published and reputable management writers (Bass, 1985a, 1985b, 1990; Bennis and Nanus, 1985; Kotter, 1988; Hamel and Prahalad, 1989; Spitzberg and Cupach, 1989; Hart and Quinn, 1991; Agle, Mitchell and Sonnenfeld, 1999; Waldman, Ramirez, House and Puranam, 2001; Slocum, Ragan and Casey, 2002; Stanwick and Stanwick, 2003; Dowling, 2006; Davies, Chun and Kamis, 2010) that the CEO is the uncontested holder of ultimate power in an organisation.

Some management writers such as, Maclean, Harvey and Chia (2010, p. 328); and Pettigrew and McNulty (1998) have a view, following that of Bourdieu (1986b), that symbolic power is embedded in a small number of “dominant agents” in the corporate world. Maclean, Harvey and Chia’s research found that company directors and chairpersons held the highest level of control over organisational resources, but the CEO was the primary decision maker and public face of the organisation. Pettigrew and McNulty stated the primary difference between the chair and the CEO was that the chair was mostly part-time, while the CEO was a full-time position. This meant the “CEO runs the company” (p.198).

This position of power creates many issues for the holder of that power, especially when the CEO needs to have a strong, two-way dialogic communication relationship with key external stakeholders to manage the complexities of today’s business environment. CEO leadership and communication is an important determinant of an organisation’s vision and organisational culture. The CEO and the senior management team therefore need to have a high level of awareness of the direction in which they want the organisation to go, and ensure the organisation has the resources and commitment to implement and manage that vision. Equally important to an organisation is how the CEO is perceived by key external stakeholders, such as governments, the media, investors, analysts and the community, as this has a bearing on the reputation of the CEO and the organisation, and also its value as an investment.

An initial step to understanding what comprises communication attributes and competency at the CEO level was to find if any models have been developed to assess the communication competencies required of CEOs by their external stakeholders, the media and analysts and investors. The literature from the business and leadership disciplines
and organisation communication and public relations on communication competencies was extensively canvassed. The following researchers were evaluated: Eadie and Paulson, (1984); Madlock, (2008); Flauto,(1999); Spitzberg and Cupach,(1989); Penley, Alexander, Jernigan and Henwood, (1991); English, Manton and Walker, (2007); Muratbekova-Touron, (2009); Spitzberg, (1993); Emiliani, (2003); Brownell, (2006); Heffernan and Flood, (2000); Thompson, Stuart and Lindsay, (1997); and Waner, (1995).

A search of Google Scholar on the subject of “communication attributes and competencies” returned a large number of competency models used by a wide range of international organisations (the United Nations); higher education institutions (University of Sydney, Victoria University), the United States military and business to test employee skills. None of these models referred to what specific communication attributes were sought from a CEO when dealing with key external stakeholders.

While this thesis is directed at what communication behavioural attributes are sought by external stakeholders when they are dealing with a CEO, it is relevant to study in more broad terms what has been written regarding leadership communication competence. McCroskey (1982) refers to communication competence as behaviour, and the behaviours/attributes identified from the literature have been used to compile a relationship management communication competency framework. Hollenbeck, McCall and Silzer (2006) state that no single set of competencies describes effective leaders and that effectiveness depends on various combinations of strengths. The authors trace the development of organisational skill-sets from a situation where specific knowledge and ability for detailed job descriptions was required, through to the era of managers being encouraged to develop skills independently of whatever position they may hold or what was required to seek for a promotion.

In the 1990’s there was the development of leadership competency models designed to specify a range of useful leader behaviours and provide self-development tools for individuals. English, Manton and Walker (2007) discussed the business communication competencies that human resource managers considered essential to assist them perform their tasks to a high level of efficiency. Apart from the standard writing and speaking business communication requirements, collaborative and global communication competencies were investigated. The highest score from this study of 250 human resource managers was for the concept of integrity. A parallel can be drawn between this score and the trust factor identified later in this chapter as an important aspect of assessing the
behaviours necessary for identifying CEO communication competency. Most of the other competencies from the analysis were related to writing and grammar issues, which were not relevant in the context of this doctoral thesis.

2.4 The Chief Executive Officer as Chief Communication Officer:

When discussing the important role of communication for a CEO (and the CEO as CCO), a United States CEO, Ray Hawley, is quoted by Pincus and DeBonis (1994, p.116):

“Our ability (as CEOs) to communicate effectively, as opposed to just communicating, makes a big difference in results- and that’s true internally as well as externally”.

The very complex range of skills required of a CEO (e.g. managing internal and external stakeholders; overseeing the financials, ensuring product and service activities meet the organisation’s vision and goals), it is argued, is grounded in communication, and further highlights the vital importance of having the required competencies to manage this aspect of the CEO role. Pincus (1994, p.16) makes a case for the CEO as CCO being the principal communication strategist “who grasps and relies on the communication process.”

The CEO should also be a communication tactician “who knows how and when to employ different types of communication.” Lachotzki and Noteboom (2005, p.128) refer to the need for a CEO to also be the prime communicator.

“As the CEO is also the person responsible for sustaining the corporate dialogue, he must convince his (outside) board as well as any stakeholders that he feels responsible for guaranteeing the company’s integrity and transparency.”

It is argued that today’s CEO must be positioned as the CCO and their role includes being an information gatherer, environmental scanner, a builder and maintainer of external networks and being an effective communicator that manages and enhances their own and the organisation’s reputation and communication with key external stakeholders. Collins (2001, p. 275) found after extensive research that effective leaders were humble and focussed on others.

“It is this kind of leader who will commit to communication because he or she recognizes the value they receive from the interchange.”
Kouzes and Posner (2002, p.275) uncovered five practices common to leaders who were able to get extraordinary things done. They were:

“model the way; inspire a shared vision; challenge the process; and enable others to act. These proven leader activities take root through communication that penetrates the scepticism and apathy that holds back greatness in many organizations.”

Pavitt and Haight (1986) further supported the vital role of communication by referring to the fundamental importance of effective interpersonal interaction in organisational settings, but they also state that each interaction is surrounded by the particular circumstances of the situation. These authors state that people dealing with a communication interaction, in the case of this research, external media, investor and analyst stakeholders, inherently evaluate the competence of the people they are observing. It is worth further stating that with all these references to the role and importance of communication, no specific inquiry has been made into what the required communication behavioural attributes are specifically sought for a CEO by external stakeholders.

2.5 A thematic analysis of the management/leadership literature:

The first steps to seeking what are the communication attributes being sought of a CEO, a thematic analysis of all available management, leadership, and organisational communication and public relations journals was completed by the researcher between 2004 and 2006. The results of this research were published in refereed papers in 2006 and 2007, and also were presented to the ANZCA conference in New Zealand in 2011. Five communication attributes were consistently identified from this review. They are presented here, and then further developed in Chapter Four as the foundations of a communication behavioural competency framework to test how external stakeholders perceive CEOs. This analysis supports the earlier discussion above on what has been core aspects of organisational communication research.

2.5.1 Dialogue:

Successful CEOs are great communicators with a vision that they can translate into a common language. The management literature supports this view. Dialogue means openness to regular communication with key external stakeholders.
Lachotzki and Noteboom (2005, p.18) state, “This is where dialogue fits in. Dialogue is the vehicle that creates focus and turns fear into shared uncertainty.” Moore and Sonsino (2003, p.76) support this view: “To be an effective leader ….requires the desire to communicate and the skill to engage in dialogue” and “very few people are explicitly taught how to talk, persuade or listen (p.4).” The authors also quote Bijur from Dauphinais (2000, p.76) "to be an effective leader... requires the desire to communicate and the skill to engage in dialogue.”

Fairhurst and Starr (1996, p.22) support the points made in this chapter that leadership involved managing meaning:

“We assume a leadership role, indeed we become leaders, through our ability to decipher and communicate meanings of complex and confusing situations. Our communications actually do the work of leadership; our talk is the resource we use to get others to act.”

Kent and Taylor’s (2002) contribution to the debate on dialogue as a public relations theory supports the relational concepts that are the core of this thesis. They state that organisational leaders must be comfortable in engaging in dialogue. Necessary skills for effective dialogue include listening; empathy; contextualising issues within local, national and international frameworks; identifying common ground between groups; and seeking a variety of opinions. All these core skills should be part of the CEO’s communication armoury, and contribute to building strong, direct relationships with key external stakeholders for the benefit of the organisation.

Pieczka (2011) deconstructs the link between communication and organisational relationships and how all participants in the relationship understand each other’s differences and what their mutual obligations to each other are. Relationship management is understood as communication activity “producing cognitive and affective outcomes measured as trust, openness, involvement and commitment” (2011, p. 112). Dialogue implies mutuality, but “relationship management so far seems to find it hard to deal with mutuality,” (2011, p.118). It is contended that through a mutual understanding of each other’s position when engaging in a dialogue (face-to-face, over the telephone or through an email) a key external stakeholder and a CEO need to be aware of what comprises effective dialogue. This requires the development of a shared understanding of meaning and an understanding of communication rules for the creation of an effective dialogue (listening, being truthful, appropriate, trusting, open, involved and committed).
This would go some way to answering Pieczka’s argument that public relations professional practice has a “very poor understanding” of the concept of dialogue.

2.5.2 Listening:

The second attribute, is effective listening. DeVito (2013) emphasises this crucial skill for professionals. Hackman and Johnson (2004) state that listening is a primary skill that creates and maintains satisfying relationships with internal and external groupings.

Further reinforcement of the need for effective listening is provided by Moore and Sonsino (2003, p.28) where they state "listening is different from hearing" in that it requires the seeking of common ground and the building of meaning through conversation. The authors write that the criticism most often levelled at senior executives is that they don’t listen.

Lachotzki and Noteboom (2005, pp.128-129) refer to CEO’s making a difference by embracing the corporate dialogue which includes, “listening intently to what people within his company think-about the strategy, about execution and maybe about themselves.”

2.5.3 Openness/honesty/trust:

There are many references to trust, transparency and honesty in recent academic reviews of contemporary communication practices. Farrell, Flood, MacCurtain, Hannigan, Dawson and West (2005) discuss in detail the attributes of trust for a top management team. These are ability, benevolence and integrity. CEOs therefore need to include these competencies in their skill-set. Examples such as the BP Deepwater oil spill (2010), the Enron disaster (Seeger and Ulmer, 2003) and former Tour de France cyclist Lance Armstrong destroying his reputation, all removed the element of trust from how business and high profile personalities are perceived by the media and key stakeholders.

The former CEO of HP, Leo Apotheker, was “ousted” (CNN Money, September 22, 2011: http://money.cnn.com/2011/09/22/technology/hp_ceo_fired/index.htm after 11 months, principally because he did not communicate, said the executive chair of HP, and the situation had damaged the company’s reputation and there was a need to regain investor confidence. Earlier in 2005, and 2006, two HP CEOs had been removed as the board felt they had lost the trust of the market.
Lachotzki and Noteboom (2005, p.142) stated that modern CEOs need to: “communicate in a language suited to the company’s values and norms, a language that represents a culture of openness and integrity, of checks and balances, and not one of sweeping things under the carpet.” These authors further stated, “The CEO must accept that openness, honesty and transparency are part of his responsibility,” (2005, p.125). Effective leadership is based on relationship building, engagement, high trust levels, information being freely shared, mutual education and feedback according to Mai and Akerson (2003). These authors also refer to the role of trust and of leaders being perceived of being open, honest and fair. Mai and Akerson (2003, p.23) also refer to the Enron example where trust was eroded with substantial damage to the reputation of the organisation. “How leaders communicate with their people is clearly key to how trustworthy they appear and well they in turn extend trust to employees.” Hurley (2006) referred to research from the University of Chicago in 2002 that showed four of five senior United States executives had very little confidence in the people running major corporations. Hurley’s model of managing trust has communication as one of the primary attributes and he has a perspective that trust is the measure of the quality of any relationship between a person and the organisation. Leading requires acting in ways that provide reasons to decide to trust.

The international public relations consultancy Edelman (Edelman, 2013, 2014) has been measuring attitudes to trust since 2001. The 2014 results showed there was very little trust in business leaders, and this had changed very little over the past 10 years. A quote from the 2014 Report on trust in leadership and CEOs states:

“Overall, trust in leadership has plateaued. Academics and experts remain the most trusted source of information about companies, followed closely by technical experts and a “person like yourself.” This has increased significantly since 2009. CEOs and government leaders remain at the bottom of the list for both informed and general public’s, with extremely low levels on key metrics.” (http://www.edelman.com/insights/intellectual-property/2014-edelman-trust-barometer/trust-in-business), accessed March, 2014. Only seven per cent of respondents trusted leaders a great deal, with 41% somewhat trusting them, and 48% having no trust at all.
The 2014 responses on what actions a CEO should take to build trust were listed as:

(a) Communicate clearly and transparently;
(b) Tell the truth regardless of how complex or unpopular the issue is;
(c) Engage with employees regularly;
(d) Be at the front during challenging times;
(e) Be personally involved in community activities (charities); and
(f) Have an active media presence.

Transparency, truthfulness, openness are all core functions of being an effective communicator. The next concept identified from the literature was relationship management from the disciplines of organisational communication and public relations and reflects the change of direction that public relations has faced in recent years. The move away from one-way media centered communication to a two-way dialogic relational basis for communication has been the subject of intense academic study (Bruning and Ledingham, 1998, 2000, 2006, 2008); Kent and Taylor (1998, 2002) and Grunig and Huang (2000).

2.5.4 The role of organisational relationships:

Relationship management is reviewed from the managerial and business perspective literature and it is assessed in depth as a theoretical construct in the chapter that follows. Relationship management was also identified as a core CEO communication competency sought by external stakeholders. It is also the theoretical construct on which this doctoral thesis is based with the following writers providing a very strong academic underpinning of the concept (Broom, Casey and Ritchie, 2000; Ledingham and Bruning, 2000; Ledingham, 2003; and Pieczka, 2010). Bolman and Deal (1997, p.294) identified the importance of relationships by stating leadership “exists only in relationships and in the imagination and perception of the engaged parties.” Kotter (1988) also views leadership as building relationships. Gardner (1986), quoted by Bolman and Deal (1997) refers to long-term thinking, looking outside as well as inside and dealing with multiple constituencies. Therefore this construct needs to be factored into any analysis of the competencies of a CEO when being evaluated by key external stakeholders.
Since 1984, there has been a growing field of research in the public relations field on the development of relationship management as the core basis of contemporary public relations practice and this is discussed in depth in the next chapter.

2.5.5 Communicating a vision:

A core attribute of an effective CEO according to both Bass (1985) and Bolman and Deal (1997) is the ability to communicate a vision for the organisation. Rosete and Ciarrochi (2005) analysed prior research into the concept of emotional intelligence and transformational leadership and found that the ability to create and communicate a vision and to model that vision was a strategic skill that a leader had that would take the organisation forward. Another study by Zhu, Chew and Spangler (2005, p.40) supported this. They wrote, “transformational leaders create a strategic vision, communicate that vision through framing and use of metaphor, model the vision by “walking the talk” and acting consistently, and build commitment towards the vision (Avolio, 1999, and McShane & Von Glinow, 2000).” CEOs should communicate their vision to clarify it and to also create and build the commitment of their multiple constituencies to maintain the organisation’s reputation and core relationships. This aspect of CEO communication competency was further reinforced from the qualitative research interviews with senior business media commentators, who responded that delivering a vision was a competency they sought from the CEOs they interviewed.

2.5.6 Summarising the management/leadership communication literature on communication behaviours:

In summary, the key communicative behavioural attributes to emerge from the literature were:

(a) Dialogue
(b) Listening
(c) Trustworthiness
(d) Openness/transparency
(e) Relationship management
(f) Having a vision
By being aware of these attributes a CEO would have a sound foundation for effective communication and future business leaders would have a much greater awareness of what comprised effective communication when dealing with key external stakeholders. This understanding would also materially assist in ensuring future CEOs knew what competencies they required to be considered for promotion, or for improving their personal skill set. To define an effective leader, competencies of being dialogic and listening would be measureable outcomes. Negative elements would be closed and insular, (Alexander, 2006, p.8).

Under leadership processes, the behaviours of honesty, openness and trust would be valued, as against dishonesty, obfuscation and defensiveness. These findings are relevant to the research question; however, further studies into the subject of this thesis uncovered a more relevant field to the communication discipline that could be the basis of an appropriate theory to underpin the research question. This field, relationship management, is within the organisational communication and public relations discipline area where the researcher is located, where scholarship is still in its relative infancy. This doctoral thesis would add a new practical element to the literature in the field and enrich the understanding of future researchers of relationship management studies. All aspects of relationship management are discussed in Chapter Three.

2.5.7 Finding a framework from the literature:

This section uses the outcomes from the literature review to construct a framework for the research methods that will test which communication attributes CEOs require to be perceived as effective leaders. What are the core components needed for a CEO’s management of all communication between themselves and their key external stakeholders. To commence the analysis of why communication behavioural attributes are important for a CEO, the literature supports the value of communication as a specific CEO responsibility. However, while there are many references to communication as specific leadership behaviour in the literature, there is no formal academic research that describes what communication attributes are required by a CEO when dealing with external stakeholders.
The consequences of ineffective communication by a CEO have been discussed in Chapter One, with many case studies to demonstrate that negative outcomes will result from a lack of awareness of what damage can result from not understanding the vital role of communication in managing a reputation. This literature review was also the basis for finding answers to help with answering the Research Objectives:

To test the first Research Objective: *Explore what behavioural communication attributes of a CEO are sought by media stakeholders when forming perceptions about a CEO’s relational capabilities*, requires a detailed examination of what elements comprise effective relationship building. To achieve this, depth interviews were sought with senior business media commentators on their perceptions of CEO communication.

The second Research Objective, *to investigate how the media views a CEO’s communication attributes such as effective listening, openness, trustworthiness, and communicating a vision*, also requires the views of senior business media commentators.

The third Research Objective was to *investigate the CEO behavioural communication attributes sought by investors and analysts when recommending an organization as a financial investment*. To achieve this objective, the views of investors and analysts would be required. Consequently, a quantitative survey was developed for the investor/analyst public.

*Exploring the behavioural communication attributes of a CEO that are sought by investors and analysts when forming perceptions about a CEO’s reputational capabilities* was the fourth Research Objective and a questionnaire was developed to test which attributes were most desired by this external stakeholder public.

**2.6 The literature on communication competence:**

Reviewing the themes from the literature suggests the new pressures on CEOs in an increasingly complex world means they need to develop, or enhance their communication skills to effectively influence perceptions of their organisation among external stakeholders. These pressures include the highly competitive international marketplace; dealing with multicultural workforces and also being aware of a range of cultural, social and political issues when operating in many countries.
A difficulty faced in attempting to construct a framework is a lack of agreement among scholars as to what comprises the CEO communication behavioural attributes (which underpins an overall communication competency) as perceived by external stakeholders as discussed on p.5.

Hollenbeck, McCall and Silzer (2006) in an exchange of letters discuss leadership competency models and their value. They agree that there is an argument among human resources academics and professionals whether competency models are "built on sand" (p.399); and the discussion runs that no single set of characteristics can describe effective leaders, that every leader is different, that each characteristic is independent of the others and that leaders are a mix of strengths and weaknesses and cannot be neatly packaged. The authors agree that competency models could assist an individual by specifying a range of useful leader behaviours and through setting out the groundwork for individuals to use in any self-development, but any model was only a guiding framework. A point is made here that this research does identify evidence-based specific communication attributes that were tested and which have support from an overview of the words of CEOs who have been deemed to be communicatively competent, supported by statements from senior business media commentators.

This thesis research sought to find frameworks that might be utilised in building a specific definition for CEO communication attributes. The areas investigated were: the competency profiles for managers responsible for the performance of others (du Plessis, de Beer and Brand, 2009); cognitive flexibility in communication (Martin and Anderson, 2009); the communication competencies for medical practitioners (Rider and Keefer, 2006); the communication competencies required by business degree students Waner (1995); and communication training for undergraduate students Di Salvo (1980).

Other elements found from this research dealt with assessing the levels of communication required for dealing with international business partners (Griffith,2002); the communication competencies required for leaders (Emiliani, 2003); competency frameworks in Irish organisations (Heffernan and Flood, 2000); a comparison of competency lists for management development (Hayes, Rose-Quirie and Allinson, 2000); and the competence of top team members and organisational performance (Thompson, Stuart and Lindsay, 1997).
Stuart and Lindsay (1997) also developed a framework for managerial competence, and the impression management competencies required by CEOs were researched by Pollach and Kerbler (2011).

Only four of these papers refer to specific communication competencies: Pollach and Kerbler (2011) discussed impression management and presenting the persona of the CEO as competent in the eyes of the financial community and the media; Emiliani (2003) studied communication as a core leadership competency from a theoretical perspective; Heffernan and Flood (2006) looked into CEOs making oral presentations; and Di Salvo (1980) researched listening, oral reporting; motivating and persuading attributes.

Notably, all papers refer to these communication attributes generically for all managers (principally based on the ability to write memos), not specifically for CEO’s. To seek further references to support the search for a list of behavioural communication attributes, the researcher identified Norton (1978, p.101) who had studied communicator styles. The communication dimensions of relevance to this study were:

“Impression leaving (how communication is thought to affect others), open (degree of disclosure), dominant (degree of control), precise (where communication is based on firm evidence), attentive (impression of listening ability) and communicator image (overall assessment of communication ability)."

These attributes are analysed in detail later in this chapter when assessing all the other findings from the research for a framework for developing a CEO communication behavioural attributes model.

Brownell (2006), quoting Garavan & McGuire (2001), stated that assessing competencies can be problematic, as perceptions differ between individuals and any others involved in any assessment of competencies. Personal characteristics required for high performance were defined by Brownell (2006) as distinctive competencies that underlie common competencies. These were fundamental knowledge and skills, and distinctive competencies such as sensitivity, initiative, decisiveness, and resilience.

The issue here is that behavioural attributes vary from individual to individual and the challenge has been to develop a listing of behavioural attributes and competencies that specifically relate to CEO communication across all aspects of the CEO’s role.
Brownell’s (2006) view was that competence was only an indication of an individual’s potential performance or capability and therefore could not be observed directly. There is also agreement in the human resource field (Hayes, Rose-Quirie & Allison, 2000) that the concept of communication competency is very difficult to assess, which reinforces the complexity of defining a model of CEO communication competencies.

Flauto (1999, p.90) supported the behavioural approach to assessing competencies and makes a direct reference to communication: “The behavioural perspective embraces those definitions that include direct references to communicative behaviour.” McCroskey (1982, p.90) defines communication skill as “the ability of the individual to perform the appropriate communicative behaviour in a given situation.” These statements confirm the concepts outlined earlier that a competency is a series of observable and measureable behavioural attributes (Woodruffe, 1993).

Another perspective is offered by Eadie and Paulson (1984) who found that communication was based on relationships that involved concepts of power (either shared, as in symmetrical relationships, or one-way, as in most CEO-employee relationships). An observation is made that in most of the situations where CEO’s are involved, the “persuader has power over the target”, (Eadie and Paulson, 1984, p.393). However, in most of the interactions between CEOs and investors, analysts and the media, the power is more equal between all parties, as on most occasions the CEO is seeking positive responses from these relationship partners and needs to understand how to manage their own communicative behaviour. These references to the concept of relationships reinforce the role of relationship management as the theoretical construct on which this thesis is based.

The task of developing a framework may be easier when referring to specific competencies for a specific type of job (i.e. mid-level marketing manager in a multinational where there are many product lines, across many national markets, with established communication channels). It is more difficult to define for a CEO, who, as has been identified already, is also the CCO for an organisation.

Spitzberg (1993, p.137) said interpersonal competence did not have a discipline base nor was it based on a comprehensive theory and “lacked coherent direction and focus.” He also stated that competence could be viewed as ability or a quality. Ability was the
subjective assessment of where capacities enabled the repetition of “goal-directed” (p.138) behaviours. Quality referred to appropriateness, effectiveness, clarity or goodness “of a behavioural performance” (p.138). Spitzberg (1993, p.138) said this level of competence can be “attributed by observer(s).”

2.7 Consequences of ineffective CEO communication

When analysing the consequences of ineffective communication, the second theme from the literature, there is some consensus among the management writers (i.e. Eadie and Paulson, 1984; Madlock, 2008; Flauto, 1999; Spitzberg and Cupach, 1989; Penley, Alexander, Jernigan and Henwood, 1991; English, Manton and Walker, 2007; Muratbekova-Touron, 2009; Spitzberg, 1993; Emiliani, 2003; Brownell, 2006; Heffernan and Flood, 2000; Thompson, Stuart and Lindsay, 1997; and Waner, 1995) that there are characteristics by which a CEO can be judged as being ineffective or effective.

The failure of Chief Executive Officers to communicate effectively with key external stakeholders can lead to an erosion of reputation, both of the CEO and the organisation they represent (Laurence and Kichen, 2003; Foreman and Argenti, 2005; Murray and White, 2005; and Melewar, 2008; and Alexander, 2006).

Pincus and deBonis (1994), Puth (2002) and Mai and Akerson (2003) have commented that communication can materially affect relationships between CEOs and shareholders, suppliers, customers, governments and communities, but have provided no academic research to support their views. There is some consensus among business/leadership academics that some attributes are required for a CEO to be judged as effective. Hart and Quinn (1993, p.543) refer to decisiveness, reflectiveness, attention to detail, boldness and having a people orientation. Other elements of competence identified from the literature were being able to set a vision (which implies some communication capacity) and being an external boundary-spanner, where external communication networks are deemed to be important. This is another function that requires a high degree of communication competence (Yip, Ernst and Campbell, 2011; Ernst and Yip, 2009).

Minzberg (1973, 1975) identified a number of CEO roles, of which liaison (external networking), monitoring (environment scanning), and spokesperson (communicating externally) were among the ten listed that had some communicative elements to them.
Other writers (Quinn, 1981; Quinn & Rohrbaugh, 1983; Quinn & Cameron, 1988) also refer to the organisational leader being responsible for setting a vision, monitoring emerging trends in the economy and society, and being aware of who all their external stakeholders are. Many of these elements are tested in the course of this thesis.

In the literature on leadership, attention is given to what skills are required to be an effective manager but little information is provided on what does not work in dealing with key external stakeholders (apart from negative news stories about CEOs who have failed). Bass (1976, p.127) wrote “In communications among members, ‘zero feedback’ was accompanied by low confidence and hostility; ‘free feedback’ was accompanied by high confidence and amity.” Directive, coercive, and controlling actions just did not seem to work, stated Moore and Sonsino (2003, p. 146). “To grow and prosper, contemporary breeds of top dogs should be more responsive, collaborative, visible, inspirational, and communicative than their predecessors - and less authoritarian, isolated, secretive, rigid, and formal,” stated Pincus and DeBonis (1994, p. 20).

A review of the requirements for effective managerial coaching by Ellinger, Hamlin and Beattie (2007) found the required skills included listening, being analytical, interviewing, observation, communicating and creating a supportive environment. The obverse from their research was not listening, being aggressive, failing to recognise needs, the incomplete transmission of knowledge, being too directive and being an ineffective communicator. This research further supported the Pincus and DeBonis (1994) references to predominant ineffective behaviours being dictatorial, controlling and autocratic.

2.8 Finding a conceptual framework from the literature:

This section proposes the development of a framework for CEO communication competence when they interact with the key stakeholders identified for the specific purposes of this research. It is also proposed that the construct of communication attributes, based on the newly identified communication behavioural attributes for assessing CEO organisational/managerial and behavioural outcomes, presents a potential new unit of analysis within the organisational communication/public relations public relations discipline that is based on relationship management theory.
A synthesis of key concepts from core communication science philosophies has been researched to seek for a consistent, valid and testable theory to underpin this thesis, (Entman, 1993; Hallahan, 1993). Human communication is a complex activity, with many conceptual frameworks developed over time to meet changing circumstances. To name some, there is rhetoric to influence others (Ihlen, 2002; Mackey, 2003; L’Etang, 2006); propaganda and media to persuade (or control), (Botan and Hazleton, 2006); individual to individual communication by word of mouth, or using writing to convey a message, as well as group and relationship issues of importance to families, organisations and social collectives. Hargie (2006, p.10) defines the social skill of communication with a quote from Phillips (1978):

“The extent to which he or she can communicate with others, in a manner that fulfils one’s rights, requirements, satisfactions, or obligations to a reasonable degree without damaging the other person’s similar rights, satisfactions or obligations, and hopefully shares these rights, satisfactions or obligations with others in a free and open exchange.”

The vital role of communication for organisational communication and public relations was further demonstrated by Ferguson (1993), who reported on a Conference Board 1976 survey that found that CEOs spend at least 50% of their time dealing with external communication issues (governments, investors, analysts, suppliers, media and communities). Therefore CEOs need to understand the appropriate competencies to be able to effectively manage this aspect of their work. Hargie (2011) identified the psychological needs of competence, relatedness and autonomy as underpinning effective communication and that the satisfaction of all three elements results in “optimal well-being” (Hargie, 2011, p.2), and that communication “represents the very essence of the human condition.” Therefore, communication, as a social science, plays a vital role in all aspects of the research question, and there is a complex and multi-disciplinary foundation on which the literature relevant to this thesis is based. The primary areas of communication science that apply to an analysis of the communication competencies of CEOs are found in the following communicative activities:

- Mediated mass communication (delivering messages through a wide range of channels to large audiences, such as a CEO addressing a large employee cohort in a number of geographical locations; or being interviewed on a national business television programme);
- Organisational communication (where organisations develop communication strategies to inform key external stakeholders such as suppliers, the media, investors and analysts, communities and governments). An example is where a CEO regularly communicates with analysts each quarter on the progress of the organisation against published guidance regarding earnings;
- Public communication (a CEO addressing an annual general meeting);
- Small group communication (i.e. a CEO speaking to a group of industry specialist journalists), and,
- Interpersonal communication (a CEO receiving a call from a senior business media commentators who regularly makes contact to ask specific questions on issues of interest to the commentator).

For the purpose of this thesis, all the above elements apply to the “extraordinary communication efforts” that today’s CEO is required to manage (Garten, 2002, p.147).

2.9 Developing a framework of communication behaviours and attributes from the literature:

The research into the leadership/management literature for references to behaviours that would comprise communication competency has already been discussed in detail, and this next section describes the steps taken to develop a replicable and academically sound framework to test with external stakeholders for validity. Framing and various forms of capital (economic, political, social and human) have been analysed to assist in finding an appropriate basis for the next stages of the research. Also a detailed content analysis of a wide range of management, leadership, organisational communication and public relations journals and books was made to seek references to behaviours that would contribute to the development of the framework.

Each of these constructs mentioned above will be evaluated to demonstrate the depth of research required for defining an operationally sound framework through which to assess the communication competencies of CEOs when dealing with key external stakeholders. This chapter finishes with the identification of six potential behavioural attributes that will be further tested against key external stakeholder perceptions of what comprises CEO communication attributes and the outcomes are discussed in Chapter Six.
2.9.1 Framing:

Framing is a means used to structure disparate sources of information into a meaningful structure (Patel and Xavier, 2005). Framing is how those who deliver communication can persuade recipients of the meaning they are seeking to deliver and to accept that one meaning over any others. Framing influences how others see and interpret reality. “Leadership is about taking the risk of managing meaning,” (Fairhurst and Starr, 1996, p.2).

Fairhurst (2005) reinforced this point in a review of her book, *The Art of Framing* (1996), where an argument is presented that framing as a skill can be broken down into such skills as communicative goal setting, the development of mental models, and context sensitivity. Fairhurst also provides case studies of senior executives who are dismissive of learning any communication skills as “it is so automatic” (2005, p. 175). Fairhurst and Starr (1996, p.xi) putting this approach into perspective, state what is relevant to this study: “Leadership is a language game, one that many do not know they are playing. Even though most leaders spend nearly 70% of their time communicating, they pay relatively little attention to how they use language as a tool of influence.”

Framing is about managing meaning and co-constructing reality writes Fairhurst (2005), skills which the researcher states that every CEO should have. Therefore, framing, as a managerial construct, determines if people notice problems, how they understand those problems, how they evaluate and act on them and how what is chosen to say is important. It also focuses on how people produce frames of meaning to gain support for their position (Fiss and Hirsch, 2005). Language (discourse) contributes to framing by focusing, classifying and putting things in categories and to the remembering and retrieving of information. CEOs must know how to handle a wide range of people and effective framers know the perspective of their audience: “for whom am I managing the meaning?” (Fairhurst and Starr, 1996, p.2).

As we acquire higher level skills on our way through the ranks of management, or through the academic world, it appears to be a given that talking is equated with communicating meaning and that we have made a connection with the other interactor. Fairhurst (2005) makes this point with case studies and examples of very senior managers being arrogant and not wanting to develop their communication and framing skills and stating they do not
need to be taught how to listen, or that communication was only a very small part of what they did. Fairhurst (2005, p. 176) writes, “they are not interested in the consequences of their own communication,” and often consider communication only an information transfer.

The interpersonal communication literature (DeVito, 2013, p.11) reminds us, that unless we are mindful of the other’s perspective and ensure we understand the meanings each party brings to the interaction, there is no guarantee that effective communication has occurred.

To be competent communicators, CEOs need to understand the context of the situation, be aware of the perspectives of their stakeholders and frame language and imagery that will ensure that meaning is created between each of the parties and contributes to satisfactory outcomes. For example, if a CEO is to frame effectively, the vision desired by the CEO must provide a picture into which others can insert themselves.

The first research that showed promise that framing might be the appropriate framework was from the management literature and Bolman and Deal’s (1991) four-part model for the framing of effective leadership attributes was investigated as a possible starting point. Bolman and Deal (1997) argued that frames create a mental model to assist managers to gather information, make judgments and determine how best to accomplish organisational goals.

Bolman and Deal (1997) developed four frames:

a) The first is structural (from sociology and management sciences and emphasises organisational goals, roles and technology where organisations allocate responsibilities to participants and create rules and policies to coordinate those activities);

b) The second is human resources (from psychology that describes the interdependence between people and organisations where managers develop strategies to get people to perform tasks and feel good about doing the work);

c) The third is political (from political science, and covers organisational contests and power and conflict and the distribution of scarce resources; leaders use their skill to ensure satisfactory outcomes); and,

d) The fourth is symbolic (from sociology and is based on describing organisational culture and the areas of rituals, myths, stories and heroes and where the leader
shapes behaviours and direction, i.e. management by walking around, or articulating a vision for the future).

When Bolman and Deal (1997) assessed what the most effective indicators from each frame were, a number of behavioural attributes were developed:

a) The first frame discusses the ability to analyse and be an “architect” (i.e. designing and implementing goals and objectives for the future). The negative indicators were tyrannical behaviours and a rigid bureaucratic approach to management;

b) The second frame involved effective human resources leaders, who were catalysts and facilitators, and this lessened the chances of surprise and for deception occurring;

c) For the third (political) frame, honesty and ethical behaviours were associated with it, along with advocacy and negotiation skills; and

d) For the fourth frame, (symbolic), the authors reasoned that being a source of inspiration was a strong symbolic characteristic.

The outcome from this analysis clearly demonstrates that communication itself was not considered to be a specific frame indicator for management. Some of the outcomes identified did have elements of communication, such as honesty, having a vision (architect), facilitation, advocacy and negotiation and being a source of inspiration (obviously this would have to be communicated).

This research suggested there was the potential to add a communication frame to the original Bolman and Deal concept. From the research done for this thesis the point has been made that effective communication materially assists organisational leaders to deliver better than average productivity and results. The researcher in a 2007 published paper (Alexander, 2007) proposed that communication behaviour could be an additional, fifth frame. Under effective leadership communication attributes would be listed ‘dialogic”, “effective listening”; under leadership processes would be behaviours of “honesty, openness and trust” and relationship management. When defining ineffective leadership, the descriptor would be “insular” and for leadership processes, the concepts would be “defensive, dishonest and obfuscatory.”
Table Two: Communication frame:

<table>
<thead>
<tr>
<th>Effective leadership</th>
<th>Ineffective leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialogic</td>
<td>Insular</td>
</tr>
<tr>
<td>Honesty, openness</td>
<td>Dishonest</td>
</tr>
<tr>
<td>Trust</td>
<td>Obfuscatory</td>
</tr>
<tr>
<td>Relationship management</td>
<td>Defensive</td>
</tr>
<tr>
<td>Listening</td>
<td></td>
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</table>

(Source: Bolman and Deal, 1997).

However, further research into other aspects of the research question highlighted other areas that could be developed as a workable framework.

2.9.2 Social Capital and power:

Communication contributes to the social capital (resources) of organisations. “Communication as a visible, manifest activity, is a necessary condition for the formation and utilization of social capital,” state Hazleton and Keenan (2000, p. 83). The relationship between communication and economic outcomes (i.e. the purchase of goods and services or having an exceptional reputation in the marketplace, or favourable media attention) can be explained through the concept of social capital. Quoting Portes (1998), Hazleton and Keenan (2000) write that social capital is based on an assumption that group involvement and participation can be beneficial to both groups and individuals. For example, through the development of communication relationships between key external stakeholders (investors, analysts and the media) and a CEO, the social capital of the organisation can be enhanced. Hazleton and Keenan (2000) also strongly make the point that trust is the primary relational feature of social capital. Trust is also identified later in this chapter as a core concept of effective management communication. Ihlen (2005, 2007, 2009) supports the link between relationships and social capital (2005, p.492) and analyses Bourdieu’s (1986) discussion of various forms of capital (economic, cultural and social) and refers to Bourdieu as a leading contemporary social commentator. Ihlen (2009) makes the point that Bourdieu did not refer to organisations nor public relations in his commentaries, but what has attracted the researcher is the concept of power (the power of the CEO) and social capital as a valid resource that a CEO can utilise when considering how to manage
relationships with key external stakeholders. Bourdieu (1986) also discusses the role of capital as one of competing interests and conflicts with a continuing struggle to alter or convert types of capital. This occurs in the world of the CEO who not only has to manage the reputational capital of the organisation they lead, but also the relationships with many competing interests, such as the media, customers, suppliers, governments and employees.

Ihlen (2005) uses Bordieu as a foundation for a new typology of the different forms of capital, and refers to knowledge capital (degree of public relations knowledge), symbolic capital (reputation) and social capital. Ihlen (2005, 2009) argues that social capital “seems to be at the heart of public relations” (2005, p.494) and that it is the exclusive domain of public relations to increase social capital. Ihlen (2009) also makes the point that public relations is a practice that “assists organizational actors” (2009, p.69) (i.e. a CEO) by helping them pursue their interests. The struggle to gain media access is an example given by Ihlen (2009) and this is also relevant to one of the core components of the research question- the relationship between business media commentators and a CEO.

The core elements of social capital (being socially skilled; having a strong network of committed relationships based on goodwill; trust and reciprocity, and a good social reputation (Portes, 1998; Ihlen, 2005, 2007, 2009; and Snijders,1999), are relevant to the development of a framework. Relationships between individuals and organisations contribute to social capital and is a legitimate field of study for this thesis as human interaction and trust are basic elements of communication, as identified from the literature review.

Based on studies by De Carolis and Saparito (2006), McCallum and O’Connell (2009) and Hargie (2011), parallels could be drawn between social capital and organisational assets, such as communication behavioural attributes of the CEO. White (2002) expressed the view that social capital was created between individuals and that it was all about developing purposeful relationships or networks that generated both tangible and intangible benefits. This link suggested that interpersonal communication skills could be measured as a value of the tangible assets/benefits that an organisational leader has. This assessment also met the criteria being developed by the relationship management theoreticians for evaluating organisational-stakeholder strategies, which were trust, control mutuality, relational commitment and relational satisfaction (Huang, 1998).
This view also supports Research Objectives Two and Three (what are the attributes key external stakeholder groups seek when assessing a CEOs relational capabilities). CEOs who are effective communicators could use effective interpersonal communication to add to their personal reputational assets and also those of their organisation; attract positive analyst and media commentary which can lift shareholder value and attract quality employees, suppliers and customers. Therefore social capital (Bourdieu, 1985) is beneficial to individuals, as well as society and it also increases cultural capital, as well as economic capital for the group represented by the individual (the organisation). The use of many of the same themes as found in the literature provides evidence that a CEO should understand the value of social capital when developing communication interactions.

2.10 Finding communication relational behavioural attributes:

The next stage of this analysis is to develop a further connection between the variables, or concepts discussed above, and how these might be a basis for constructing research methods for assessing specific communication behaviours/attributes that would comprise a competency framework for external stakeholders (media, investors/analysts) when dealing with CEOs.

It is the task of senior business media commentators to have a deep understanding of the CEO’s they report on. They meet with them at least four times a year (annual meeting and quarterly results). Analysts are regularly in touch with CEOs through written or verbal communication when they are preparing research reports for their clients. Lindenmann (1997, p.5) argued that communication messages should result in changes in “opinion, attitude, and/or behaviour,” and that outcomes must be symmetrical, that is, both parties to the communication process gain a benefit from the interaction. Broom & Dozier (1990) and Bruning and Ledingham (2000), developed methods by which relationships between organisational actors and external stakeholders could be evaluated. Hon and Grunig (1999) researched and developed a public relations relationship measurement scale that focussed on six elements of any organisation’s relationship in this field with any stakeholder group.
The elements were:

- Control mutuality (the parties agree on who has the rightful power to influence one another);
- Trusting (integrity, dependability and competence—that an organisation has the ability to do what it says it will do);
- Satisfactory (benefits outweigh the costs);
- Committed (each party believes the relationship is worth spending energy to maintain and promote);
- Exchange relationship (benefits are given to one because the other has provided benefits in the past); and
- A communal relationship (benefits are provided on the basis of concern for the welfare of the other).

This research thesis tests many of these core elements of CEO communication as relationship management, starting with Ledingham and Bruning’s (1998b) five dimensions of relationship management: trust, openness, involvement, investment, and commitment. In that typology, stated Ledingham and Bruning (1998b, p. 62) trust is defined as an organisation “doing what it says it will do.” Openness is seen as “sharing the organization’s plans for the future with public members.” Involvement is described as “the organization being involved in the welfare of the community; investment as “the organization investing in the welfare of the community,” and commitment as “the organization being committed to the welfare of the community.”

These definitions have contributed to a detailed understanding of the overall relationship paradigm. They have also underpinned the construction of a specific framework for specifically assessing CEO communication competencies by external stakeholders. This framework has been tested through both qualitative and quantitative methods. Instead of the corporate communicator professional relying on media clippings, blogs or twitter postings to evaluate communication effectiveness, it is now possible to test concepts of trust and other relationship measures through qualitative and quantitative research to assess stakeholder relationship engagement.
When the relational communication behaviours/attributes were assessed against the competencies identified from the management/leadership literature, there were many common concepts that contributed to a final listing of key behaviours/attributes for testing.

**Table Three: Summary of communication behaviour/attribute domains from the literature:**

<table>
<thead>
<tr>
<th>Management/Leadership Literature</th>
<th>Relationship Management Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Trust</td>
</tr>
<tr>
<td>Source credibility/Integrity</td>
<td>Credibility</td>
</tr>
<tr>
<td>Honesty</td>
<td>Mutual legitimacy, openness</td>
</tr>
<tr>
<td>Perceiver orientation</td>
<td>Mutual satisfaction</td>
</tr>
<tr>
<td>Mutual understanding</td>
<td>Mutual understanding</td>
</tr>
</tbody>
</table>

In the communication literature, Grunig and Huang (2000) reported that Vercic and Grunig (1995) had found trust was the most important element in any relationship between organisations and key stakeholders, as without trust, shareholders would not purchase shares. Bruning and Galloway (2003, p.316) found that organisations that wanted to develop anthropomorphic relations (assigning human qualities to a non-human entity) needed to “engage in behaviours that build trust, illustrate an openness about the organization and the issues faced, and be willing to invest time and effort into relationships with key public members.” The authors outlined how public relations practitioners should personalise these interactions in order to have key stakeholders perceive that they were engaging with a good relational partner. Bourne (2012, p.141) supports the construct of trust in business and quotes Todd (2006, p.6) that good corporate governance is:

> “all about trust; shareholders must trust the board that board of directors will exercise their fiduciary duties of care and loyalty to the corporation when monitoring, ratifying and sanctioning (reward and punishment) management decisions. As well, directors must trust that corporate officers are managing the affairs of the corporation competently and with integrity.”

In Chapter Two, the communication behavioural attributes or elements as described above are explicated in detail from CEO content analysis and senior media commentator interviews to form a framework as the core outcome of the research. Chapter Five discusses the development of a quantitative instrument specifically developed for this research that investigated the relational attributes of CEOs as sought by the two key
stakeholder groups (investors and analysts). Ledingham (2001) when analysing
government-community relationships noted that stakeholders expect a degree of mutuality
in their interactions with an organisation and this attribute was included in the quantitative
research component of this thesis.

2.11 Broom, Casey and Ritchey’s model as the theoretical framework:

The first steps in developing a new framework were to review the dimensions and
facets from the management/leadership literature, (see Table Three above) and introduce
them, as well as the relational attributes from the communication literature, into the
research component of this thesis. Taking Broom et al’s (1997) theoretical framework
(antecedents, concepts and consequences), introduced in the previous chapter, this
research proposes the following as the basic framework for creating a model of
communication competencies sought by external stakeholders which were then tested in
the course of the research for this thesis.

Antecedents of relationships between CEOs and stakeholders are the collective
perceptions and expectations of all parties that should lead to a satisfactory
communicative interaction between them. This fulfils the Broom et al (1997) requirement of
a reason or cause that joins parties in a communication nexus.

CEOs need to be conscious of core stakeholders and their perceptions of the CEO and
the organisation (which can be provided by a communication advisor). The message that
the CEO delivers must fulfil the expectations of both parties to ensure a meaningful
exchange relationship is achieved (Hung, 2009). For example, if a CEO has taken
exception to an analyst’s published assessment of the CEOs last earnings presentation,
the CEO might refuse to answer that analyst’s questions at the next briefing. The
researcher has had personal experience of a CEO asking that a certain journalist not be
invited to a media conference because the CEO did not trust that journalist. An
organisation (in this case the CEO) needs to consider the specific perceptions of the
stakeholder group before entering a relationship with that stakeholder. This is a variable
that Broom et al’s (1997) model needs to be factored into for any further research. For the
purposes of this study the CEO replaces the organisation and the specific publics are the
key external stakeholders (media, investors and analysts). Antecedents are formed in this
proposed model around expectations, “collective perceptions and expectations, and
legal/voluntary necessity” (Broom et al, 1997, p.94). CEOs need to seek to mould the expectations of investors to believe that their investment is stable, growing and able to deliver anticipated returns. For analysts, CEOs are the source of strategy, financial direction, and stable management.

Chapter Six reports on the views of senior business media commentators whose expectations of CEOs were that they must be able to articulate a strategy, be open and transparent and communicate clearly to their stockholders. CEOs need the media to positively interpret their media releases, speeches, interviews and other public appearances designed which are designed to build and enhance the reputation of the CEO (and also that of their organisation).

*Concepts* are the second element of the Broom, Casey and Richey (1997) model and when applied in this research is built around maintaining and cultivating relationships. Communication was identified by Grunig et al (1995) and Broom et al (1997, p.94) as a property of relationships, with “exchanges, transactions and other interconnected activities.” Grunig and Grunig (1989, 1992) demonstrated through their research that a two-way symmetrical model of public relations, which is participative and dialogic, benefits both the organisation and stakeholders. Therefore strategies of bargaining, negotiating and conflict resolution are required to be constructed to bring about changes in ideas, attitudes and behaviours of both parties. CEOs need to have the knowledge that maintaining and cultivating relationships is a key element of their communication competence. Hung (2007) refers to symbiotic relationships that occur when organisations realise they need to work together with key stakeholders in the interests of survival. For a CEO, a regular flow of positive (or neutral) media stories contributes to investors and analysts taking a favourable view of the CEO (and the organisation); therefore it can be construed as somewhat symbiotic by all parties to the relationship. The requirement for a CEO to bring a strong personal influence to cultivating relationships is further reinforced by research from Grunig, Grunig, Sriramesh, Huang and Lyra (1995), who introduced a personal influence model to the original four models of public relations developed by Grunig and Hunt (1984). This extra personal influence model describes the practices needed to cultivate and maintain friendships or relationships with key individuals such as those in the media, the government or other key stakeholders. This further reinforces the behavioural elements of a CEO’s overall communication competence. These writers deliver a strong description of the personal influence model concentrating on personal
relationships (in the case of this research, with the media, or investors and analysts). The points made by these public relations scholars reinforce the concepts of maintaining and cultivating relationships.

The elements that comprise a relationship between a CEO and the key external stakeholders defined for the purpose of this doctoral thesis include the CEO being able to make a number of personal contact points with key external stakeholders. This might involve a direct call to a senior media representative, or taking a call from that person; agreeing to a regular appearance (i.e. quarterly) on a national business television programme, or being available to talk to key industry analysts. These aspects of relationship management are tested in the qualitative and quantitative research (Chapter Five).

**Consequences** are the third element of the Broom, Casey and Ritchey (1997) model that can be used to assess the outcomes of any communication interaction between a CEO and key external stakeholders. When assessing relationships and organisational effectiveness, the consequences of the CEO in managing external relationships and the communication with these key stakeholders has been undervalued and overlooked. The influence of a CEO’s reputation on the organisation and its external relationships is analysed in Chapter Five, and the requirement is for the CEO be aware of the consequences of damaging that reputation. The literature tends to suggest that the level of commitment to, and investment in, the management of important relationships is a vital senior management task. It is in this third element where the measurable components taken from the management/leadership and communication literature intersect.

Hon & Grunig (1999) and Huang (2001a, 2001b) identified trust, control mutuality, satisfaction and commitment from the communication literature and commitment, trust, performance satisfaction and interdependence were identified by communication scholars Ledingham, Bruning, Tomlinson and Lesko (1997). Further elements of any relationship, said Ledingham (2008) were based on four concepts (trust, satisfaction, commitment and control mutuality). From the management/leadership studies, Hall, Blass, Ferris and Massengale (2004) referred to the strong role that trust plays in leadership.
The core components that led to the successful functioning of a business-to-business relationship, said Wilson (1995) were trust, commitment, communication, shared values, co-operation and social contacts.

2.11.1 Elements of a communication attributes framework:

After defining the communication behavioural attributes from the literature and linking them to the core relationship management dimensions, the next element of this research was to find specific case studies concerning the competencies of CEOs that external stakeholders perceived as meeting all the criteria for effective relationship management. Nothing specific was found, which further reinforces that this field of research has not been canvassed before.

It is submitted that communication behaviours and the resulting competency, once understood and practised, will stay with a senior executive for all times and contribute to communication effectiveness regardless of the situation. Boyatzis (2008, p.99) referred to “basic competency clusters,” as being of value. Burgoyne (1990, p.99) acknowledged “some competencies have universal relevance.” Using Thomson, Stuart and Lindsay's (1997, p. 62) paper as the basis for one generalisable framework, the “constituent parts of the framework: competence domains, competencies and elements of competence” were identified as being suitable for the purposes of this research thesis. The business/management field on competencies was also examined in depth and initially it was considered that many of the competency dimensions did not refer to the role of communication. However, after analysing the many articles, a summary of core competencies from a communication perspective was able to be developed from the generalisations. For example, Davies, Chun, da Silva and Roper (2004) developed a corporate character scale based on their understanding that organisations needed to have a positive view of their external stakeholders. This criterion met the requirements of this research, as it is external stakeholders who are one of the key groups that CEOs need to engage with to ensure their messages are received and understood. Davies et al (2004) quoted Fombrun and Gardberg (2000, p.127) who created dimensions about “an emotional appeal factor (admire, respect, trust) that can assess how members of the public feel about a firm, rather than just how they perceive its performance financially.” Using dimensions of human personality developed by Barrick and Mount (1991) and Costa and McCrae (1992:130), Davies et al (2004) settled on the following dimensions:
a) Agreeableness: (comprising trust, likeability and friendliness);
b) Extraversion: (defined as sociable, gregarious, assertive, talkative, active, and ambition);
c) Openness to Experience: (factors of intellect and culture, imagination, cultured, curious, original, intelligent, artistically sensitive);
d) Conscientiousness: (defined as dependability, careful, thorough, responsible, organised, hard-working, persevering); and,
e) Neuroticism: (factors of emotional stability, anxious, depressed, angry, embarrassed, worried, insecure).

These dimensions contributed to the development of a list of behaviours with communicative elements that could be incorporated in a testable communication competency framework. Chun and Davies (2006, p.144) further refined the concept of the corporate character scale explained above and found linkages between CEOs and politicians to better understand what they termed “the leader reputation effect.”

Factors included many of the characteristics that were also identified from the literature review which were: competence, integrity, reliability, decisiveness, energetic, well informed, and caring, a good listener, compassionate, and intelligence. The authors stated that competence, also an important facet of reputation, was an important dimension in the CEO leadership literature. Chun and Davies’ (2006) restating of the 2004 Corporate Character Scale resulted in the following orthogonal dimensions:

a) Agreeableness (empathy, integrity)
b) Enterprise (modernity, adventure, boldness)
c) Competence (conscientiousness, drive, technocracy)
d) Chic (elegance, prestige, snobbery)
e) Ruthlessness (egotism, dominance)
f) Informality/machismo

Discussing in more detail their measurement criteria, the authors refer to their earlier 2004 study where each dimension was measured with a number of items or traits grouped into associated facets. For the purposes of this research thesis, these dimensions could be termed behaviours and this will contribute to being able to separate out those which have a communicative element.
The Agreeableness dimension had three facets labelled as warmth with traits including “friendly” and “pleasant”; empathy included “concerned” and “reassuring”; integrity, defined as “honest” and “trustworthy.

Competence had three facets: conscientiousness (reliable, hardworking); drive (ambitious, achievement oriented), and technocracy (technical, corporate). Enterprise had three facets: modernity (cool, trendy); adventure (imaginative, innovative) and boldness (extravert, daring). The Chic dimension had three facets: elegance (charming, stylish); prestige (prestigious, refined), and snobbery (snobbery, elitist). Ruthlessness had two facets: egotism (arrogant, aggressive) and dominance (authoritarian controlling) and was the only negative dimension in the scale. Each of these dimensions and how they can be connected to the relationship management literature is explained in detail in the next chapter.

Chun and Davies (2006) wrote that a leader also acts as a significant source of information about the organisation. The source credibility literature (McCracken, 1989; Pornpitakpan, 2004) suggests that the effectiveness of a source depends upon how trustworthy that source is perceived to be. Pornpitakpan (2004) in a review of the literature on source credibility over five decades found the significant dimensions of source credibility were expertise and trustworthiness. A highly credible source was more persuasive and influential than a low credible source, he found. This is a further issue when seeking out the core communication attributes of a CEO, as the literature clearly identifies trust as a significant dimension when assessing all aspects of a CEO’s communication. Also Pornpitakpan (2004) found that attitudes toward leadership were more favourable when the source was credible than when it was non-credible. Davies and Mian (2010) also referred to Stewart and Clarke (1992) who identified two affective dimensions that were relevant to the image of political leaders. These were competence (decisiveness, energy, being tough and well informed) and responsiveness ((being caring, a good listener, likeable and trustworthy).

This continuing analysis of the literature distilled a strong foundation of communication key concepts that were tested in the qualitative and quantitative research phrase of this thesis. The dimensions that have been derived from the literature to date are: two-way communication; setting (communicating) a vision; boundary spanning; being a spokesperson; networking; being aware of external stakeholders (and communicating
with them); having knowledge of different forms of communication; being an environmental scanner; trustworthiness; an impression manager; listener; persuader; relationship manager; mindful; honest; dialogic; credible and having integrity.

All these dimensions need to be pared down to the primary factors that can be used to develop a CEO communication competency framework.

There is a strong connection between the dimensions analysed above and the relationship factors identified by Bruning and Ledingham (2000) and Grunig, Grunig and Ehling (1992). The dimension of agreeableness (integrity) can be linked with trust and control mutuality (Bruning and Ledingham, 2000) as well as with trust, honesty, and transparency from Grunig et al (1992). Competence (conscientiousness) is in alignment with the constructs of openness, genuineness and consistency (Bruning and Ledingham (2000), and Grunig et al (1992). Enterprise could also describe mutual satisfaction (Grunig et al., 1992) and dialogue (Lachotski and Noteboom, 2005; Moore and Sosino, 2003; Fairhurst and Starr, 1996) is a further communication behaviour identified from the literature.

Not being able to generate a shared understanding of meaning will result in poor communication and a diminishing of reputation. Enterprise could be matched with reciprocity (Grunig et al., 1992) where a willingness to be imaginative, adventurous and modern would ensure relational partners listened to each other and shared an understanding of anticipated communicational outcomes.

The next chart matches the Davies and Mian dimensions with those identified from Grunig, Grunig and Ehling (1992), Bruning and Ledingham (2000) and Stewart and Clarke (1992).

It contributes to the building of a set of competencies that can be used when assessing the communication skills of prospective CEOs and which are illustrated in the table below.

**Table Four: Building a communication behavioural attributes model:**

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<tbody>
<tr>
<td>Agreeableness (Integrity)</td>
<td>Trust, control mutuality, honesty listener, caring</td>
<td>Enterprise</td>
<td>Mutual satisfaction, reciprocity likeable</td>
</tr>
</tbody>
</table>
In Chapter Five these attributes are assessed following the key outcomes of a further three research assessments to contribute to a final model for assessing the core competencies required by CEOs to be effective communicators with their key external stakeholders.

Flauto (1999, p.87), asked: “How are communication and leadership linked?” His 1999 research demonstrated a linkage between communication competence and effective leadership, but did not account for the specific communicative ability of CEOs when dealing with key external stakeholders. However, the discussion in this chapter provided sufficient elaboration of a number of communication constructs to assist with the development of a communication competency framework for the purposes of this thesis. Flauto (1990, p.80) also noted there had been several attempts to develop a taxonomy of communication competence “in order to facilitate agreement on an academic and operational definition of the construct.” Spitzberg and Cupach (1989, p.6) provided a more meaningful statement of the competency being studied: “Competence generally means fitness or ability to perform.” Thompson, Stuart and Lindsay (1997, p.59) stated that the ideal theory “for a competence framework would be: generalizable, that it is applicable across a wide range of organizations; simple, that it is easily understood and; accurate, that it reflects the needs and culture of an organization.” Boaties (2008, p.6) defined competencies as:

“a capability or ability. It is a set of related but different sets of behaviour organized around an underlying construct, which we call the “intent”. The behaviours are alternate manifestations of the intent, as appropriate in various situations or times.”

A further issue is that of context and situation. Eadie and Paulson (1984, p.392) studied a range of competency measures and suggested “that perceptions of competence are likely to be situational.” These observations are pertinent to the subject under inquiry, as every CEO communicative event would be created for a particular purpose (i.e. annual shareholder’s meeting; analysts briefing, or an interview with a senior media commentator). These events are therefore situational. Flauto (1999, p.89) also referenced

<table>
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<th>Competence (conscientious) openness, consistency, dialogue decisive, informed</th>
<th>Source credibility (trust)</th>
<th>Trust, transparency</th>
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Weimann and Buckland’s (1980) definitions based on cognitive and behavioural perspectives. The cognitive perspective was only indicative of potential communicative ability, and could not be directly observed, whereas the behavioural perspective demonstrated an ability to perform, was observable, and therefore an evaluation of competence could be made. This definition can therefore be applied to CEO communicative behaviour, as journalists, investors and analysts can see, hear, and comment on a CEO’s ability to communicate. Flauto (1999, pp.90-91) takes Spitzberg and Cupach’s dispositional and situational contexts and suggests a hybrid context for organisational communication competence.

“The measure would be defined as situational in that it is concerned with only a particular set of communicants in a particular relationship. It would also be defined as dispositional in that it is concerned with a number of individual interactions.”

2.12 Variables of competencies:

2.12.1 Situational:

Based on the above assessment, the first measure, a situational hybrid context, would be when a CEO planned and then discussed the organisation’s half yearly report with a group of industry analysts, both in person and via a telephone/video conference. This communication environment could then be analysed through regular surveys of investors and analysts as to the communication competence of the CEO. An Australian research organisation, East Coles (http://www.eastcoles.com.au) surveys investors and analysts each quarter and one of the standard questions relates to who is the most effective CEO. This outcome, it is argued, should be included in any framework for assessing CEO communication competency.

The strong correlation between CEOs identified as being competent communicators in this doctoral thesis and those listed in the East Coles surveys is analysed in detail in Chapter Six.

2.12.2 Dispositional:

For the second measure, dispositional communication, competence could be assessed when a CEO agreed to a regular series of interviews (i.e. half yearly) with a
senior business media commentator, such as Business Spectator’s Alan Kohler, or the Sydney Morning Herald/Age’s Malcolm Maiden. The outcome of those communication interactions could then be measured through a media content analysis as to whether the interview helped reinforce, or change key external stakeholder’s perceptions of the CEO.

2.12.3 Researching the communication behavioural attributes:

It is argued that these two outcomes, situational and dispositional, can be identified through quantitative research. This researcher takes the view that these should become an integral component of CEO communication behaviours which can then be used to measure their overall communication competency. The communication behaviours being reviewed, such as the development and management of relationships between key media, analysts and investors and how “competence plays a direct role as an ability that facilitates the development and management of relationships.” Further, “managing the appearance of competence becomes integral to managing the relationship” (Spitzberg, 1993, p.138). These concepts contribute to the research components of this doctoral thesis.

This section summarises the research by the author that provide potential communicative behaviours or dimensions that could provide the core framework to answer the research question. From these behaviours/dimensions, a list of specific questions was developed for qualitative and quantitative testing with external stakeholders to find what specific attributes comprised a CEO communication competency model, which are included in the discussion in Chapter Five on research methods:

Wiemann (1977, p. 197), suggests the competent communicator is “other-oriented” as they are open “to receive messages from others”; do not provoke anxiety in others by being anxious; are empathic; and can handle changing situations. Wiemann’s dimensions that are relevant to this doctoral research are: empathy (understanding another’s situation, active listening); behavioural flexibility (being adaptable); and managing a smooth interaction and maintaining control without dominating.

Pavitt and Haight (1986) discuss a social cognition approach to how competence can be evaluated. This approach was driven by “an observer’s implicit theory of communicative competence” (p.232). It assumed that most people had a sound knowledge on which to base competence judgments. Therefore the situational context is an important variable.
However, they found it was very difficult to develop a specific scale for measuring competence. Pavitt and Haight (1986) did state (p.222) that relationships between the competent communicator, the traits of the communicator, and the communicator’s behaviours, were important linkages. The impressions of a communicator’s behaviours, and therefore their competence, are among the variables tested in this thesis.

A significant point made by the authors was that a “perceiver-oriented” (p.232) approach was the best alternative to evaluate communication competence and that the context-situation strongly influenced perceivers’ beliefs. Pavitt and Haight (1986) only tested their concepts theoretically with communication students.

Spitzberg (1983, p.326) defines relational (communication) competence as being contextual and referenced by appropriateness and effectiveness. Spitzberg also states that competence was an interpersonal impression.

“Competence is an impression resulting from the behaviours of the relational interactants, the context within which they are enacted, and the characteristics of the individuals involved.”

Competence was an inference resulting from perception of behaviours. The research elements of this thesis tested how key stakeholders evaluate and order the competencies identified from the research. Spitzberg’s (1981, 1982) model (from Spitzberg and Hect, 1984) describes testable dimensions as being “motivation, knowledge, skill and outcomes” (p.576). In Spitzberg’s model, motivation was a “function of perceived rewards and costs in a given conversational context with a specific other,” (p.576). Knowledge meant the person has the “information, experience, and repertoire to act competently,” (p.577); and, skills were related to five common areas, “anxiety, immediacy, expressiveness, interaction management, and other orientation” (p571).

Pearson and Daniels (1988), when reviewing McCroskey (1982), Weimann (1977), and Spitzberg (1983), believe behavioural concepts are too complicated to make any realistic assumptions about competencies. However they argue that being mindful (DeVito, 2013) was a basic theoretical tenet and this concept should be included in any communication competency scholarship.

Brownell (2006, p.310), states,” Vision, goals, strategies, perceptions, creating and maintain trust and goodwill also “distinguish the truly effective global leader.” She adds
that competencies were best assessed in the field. “Increasingly effective leadership is defined by the potential created as a result of a relationship rather than by the efforts of one individual. Leadership effectiveness, in essence, is achieved through building community” (p. 319).

Emiliani (2003) lists typical competency categories used by companies when developing competency models. These are: “leadership; analytical thinking; communication; decision making; building relationships; strategic intelligence or emotional intelligence.” (p. 893). Communication as defined by Emiliani, is a primary leadership competency that contains secondary competencies of listening and expressing ideas effectively. Indicators for each secondary competency were: accurately attending to the meaning of ideas that are exchanged; hearing what is not said; clarifying the meaning of others for mutual understanding; being willing to change ideas; being persistent yet flexible; conveying ideas confidently and succinctly; delivering messages with personal energy; being enthusiastic and convincing; using appealing and persuasive arguments, and addressing issues of key importance to stakeholders. The researcher is of the view that all of these communication behaviours can be measured.

Du Plessis, De Beer and Brand (2009), when reviewing generic competencies for performance managers, identify communication as the ability to create shared meaning through appropriate personal/interpersonal interaction. Other competencies of relevance they found are: relationship building and influencing; building trust and integrity; showing visible commitment; and, building interpersonal relationships.

From all the evidence gathered above, a generalisable framework can be created to assess communication behavioural attributes that are realistic in the world of the CEO (Thomson, Stuart and Lindsay, 1997). The following behaviours/dimensions have been extracted from the research detailed in this chapter and their relevance to the potential model is summarised below.

The core behaviours/dimensions are further discussed in the methods section of the next chapter when a draft framework is developed for further testing. They are:

- Trustworthiness (Fombrun and Gardberg, 2000; Grunig and Huang, 2000; Bruning and Galloway, 2003);
• Having integrity (Davies and Mian, 2010);
• Having source credibility (McCraken, 1989; Davies and Mian, 2010);
• Being honest (Davies, Chun, da Silva and Roper, 2004);
• Effective listening (Stewart and Clarke, 1992);
• The context is situational (Pavitt and Haight, 1986).
• Perceiver oriented communicative behaviours and traits (Pavitt and Haight, 1986);
• Relational communication (Spitzberg, 1981, 1982; Broom and Dozier, 1990; Grunig, Grunig and Ehling, 1992; Bruning and Ledingham, 2000; Brownell, 2006; Emiliani, 2003);
• Demonstrating empathy (Wiemann, 1997; Emiliani, 2003);
• Being mindful (Pearson and Daniels, 1988; DeVito, 2013);
• Demonstrating mutual understanding (Emiliani, 2003); and,
• Control mutuality (Ledingham, 2008).

This review of the literature has sought to identify what comprises CEO communication behavioural attributes and defined the core factors that comprise the foundation of a range of competencies that CEO’s require when communicating with key external stakeholders. The consequences of ineffective communication behaviours were also examined. A new framework for assessing the behaviours that would comprise an overall CEO communication competency included examining the concepts of framing and social capital as potential theoretical foundations. Other dimensions, such as impression leaving, openness, attentiveness, and communicator image were identified, and a framework for a potential model included trust, integrity, source credibility, honesty, trustworthiness, listening, relational communication, empathy, mindfulness, mutual understanding and control mutuality. However, relationship management is presented as the most appropriate and solid theoretical foundation for this thesis, and many of the concepts just referred to, such as trustworthiness, openness, listening, and mutuality are cornerstones of this theory.

The next stage of the review was assessing the linkage between leadership communication and reputation that of the CEO, and also of the organisation they are responsible for.
2.13 Linking the CEO, communication and reputation:

“Relational damage is a form of reputation damage because the reputation arises from the relational history. Any threat to the relational history is a threat to the reputation,” (Coombs, 2000, p.77). The management of reputation “will become a key business process like quality management, financial management or customer care,” Pruzan (2001, p.88).

Effective organisational communication should build reputation, Van Riel and Fombrun (2007, pp. 59-60) state: “If successfully carried, corporate communication induces stakeholder identification and stimulates supportive behaviours from the organization’s stakeholders.”

The authors illustrate the connection between communication and reputation:

Adapted from van Riel and Fombrun (2007, p.60).
This chapter builds on the introductory remarks in Chapter One on the linkage between organisational reputation (and that of the CEO) and communication. Organisational messages influence core stakeholders (investors, analysts, media, suppliers, customers, governments and communities).

The CEO has the primary role in developing the messages needed to build and foster organisational and personal reputations with these key stakeholders. The thread that ties organisational and personal reputation together is communication.

The subjective knowledge and perceptions of key stakeholders toward reputational matters, it is strongly argued, is an outcome of the CEO’s ability to communicate effectively. The reputation of the CEO and corporate reputation are “increasingly intertwined” (Kitchen and Laurence, 2003, p.116). These authors also found there was very little formal measurement processes in place for such an important element (2003, p.108). In their eight country study, Kitchen and Laurence summarised that corporate reputation had increased in importance; that there was a need for recognised measurement criteria; that the key influencers on reputation were customers, employees and the CEO; and that a good corporate reputation contributed to business growth.

CEOs therefore must be as competent in managing this important asset of an organisation (Macnamara, 2012) as they are in managing all aspects of their job. There is a growing body of literature on the topic of communication and reputation management (van Riel and Forbrum, 2007), but no specific research into the role of the CEO in forming and managing reputation. To follow the core direction of the research for this thesis, the substantial gap in the management and communication academic literature on the high level communication attributes required by CEOs to manage reputation relationships with core stakeholders, is addressed in this chapter. Reputation is a socially shared impression, a consensus about how a firm will behave in any given situation (Bromley, 2002; Sandberg, 2002). Helm (2007) stated that reputation is based on a set of collectively held beliefs about a company’s ability and willingness to satisfy the interests of various stakeholders (Fombrun, 1996); Helm also noted that “reputational perceptions by individual investors are a novel field of research” (p.23). Helm’s research found a strong linkage between reputation and loyalty but there were no questions asked about the role of the CEO in developing shareholder loyalty.
This doctoral thesis investigates a usually posited question around the intangibility of how a CEO’s reputation can impact an organisation’s market price. One of the Research Objectives was to seek if there is any linkage between the communication expertise of a CEO and the reputation of the organisation they are responsible for.

A research project in the United States by Burson-Marsteller, a large public relations consultancy (Gaines-Ross, 2000), found that CEO reputation can represent 45% of a company’s reputation and “that 95% of financial and industry analysts surveyed said they would purchase stock based upon a CEO’s reputation…..and 94% said they would recommend a company’s stock based on the CEO’s reputation (p.366).” This aspect of the quantitative research is described in Chapter Five.

2.13.1 Reputation as an intangible asset:

The management of reputation “will become a key business process like quality management, financial management or customer care” (Pruzan, 2001, p.88). Lyon (2008, p. 371) referred to research into various forms of capital (intellectual and cultural) to account for previously hidden assets, such as communication as a value that people can bring to the organisational balance sheet. This chapter analyses a trend in the business and leadership academic fields where the communication competency of a CEO can be included in the “capital” of an organisation using Bourdieu’s (1998) definition of capital as including how we utilise communication for cultural and social purposes. Cultural capital (Bourdieu, 1991) is where language has a value through individual interactions that have developed over time. This is where we view language as a form of currency (Lyon, 2008, p.373). “Social capital points to the value found in relational connections,” (Lyon, 2008, p.373). Lyon (2008, p.373) following Bourdieu (1986), makes a strong point that the study of relationships is a field “full of conflict, ambiguity and delicate alliances” and that access to more resources (which a CEO has) is a form of capital and a CEO therefore has the opportunity to acquire more capital through their powerful position.

These intangible assets can therefore include the concept of reputation as it has a major impact on how some of the key external stakeholders will view and value the CEO and the organisation. This analysis starts with a definition that has been favoured by a number of academic authors (Inglis, Morley and Sammut, 2006 and Wartick, 2002). These authors quote Fombrun’s (1990, p. 72) “much adopted definition of reputation as a perceptual
representation of a company’s past actions and future prospects that describe the firm’s overall appeal to all its key constituents when compared to other leading rivals”.

For the purposes of this doctoral thesis, key constituents are the external stakeholder groups of media, investors and analysts and the CEO.

The “overall appeal” can be the value that a CEO can contribute to the organisation through managing and building their own reputation and that of the organisation. Doorley and Garcia (2007, p. 20) state that while reputation is intangible, it has “great, tangible value” and should therefore be treated like any other asset of the organisation. Hall (1993, p.80) reported that “corporate reputation is the intangible resource most focussed on by chief executives.” The leading authors on the subject of reputation, Doorley and Garcia (2007), state:

“Although CEOs agree that reputation has a value-is an asset, few firms actually treat it as such. Few companies or non-profits take a rigorous, quantifiable approach to reputation management-measuring, monitoring and managing reputation assets and liabilities-yet such an approach is intrinsic to the concept of asset management,”(Doorley and Garcia, 2007, p.4).

It is argued here that CEOs should not ignore reputation as an asset and that they need to treat it with the same attention as they give to all other organisational assets (capital, stock, human resources). As “many parts of reputation (performance/behaviour and communication) can be managed” (Doorley and Garcia, 2007, p.20) one of the claims for this thesis is that that CEOs should be aware of the communicative aspect of managing relationships with key external stakeholders for the purpose of protecting their reputation and also that of the organisation.

Inglis, Morley and Sammut (2006) tested for a relationship between corporate reputation and financial performance in an Australian case study and found no linkage between the reputation ratings of the organisation (and impliedly the CEO) and strong financial outcomes. The authors did observe, however, that their findings were based on a very small sample. However, they also found that reputation was an important organisational asset, an “intangible resource which may provide an organisation with a basis for sustaining competitive advantage given its valuable and hard to imitate characteristics “(p. 934). They defined reputation as being perceptual by nature. The authors further stated that reputation, as an intangible resource, needs to be managed well and that “more work was needed to establish reliable measures of reputation (p.194).”
Chapter One referred to the communication inaction of the CEO of the Australian National Australia Bank that caused him to resign after pressure from the board, primarily due to the CEO ignoring a growing media chorus for some organisational response to a foreign exchange scandal.

It is possible that the very negative media coverage being generated by the lack of action which resulted in the resignation of this CEO did create a reputational issue for the bank (Fragiacomo, 2004, March 5, [http://www.theage.com.au/articles/2004/03/15/1079199144069.html?from=storyrhs](http://www.theage.com.au/articles/2004/03/15/1079199144069.html?from=storyrhs)), accessed January, 2006. The issue did cause the share price to fall but as the banking sector is one of the most profitable in the Australian economy, with NAB continuing to deliver consistent positive earnings it was not too long before the share price recovered. Fragiacomo (2004) reported that the CEO had “ran to ground”, “hid behind the chairman” and attempted to protect the bank’s reputation through trying to deflect attention from the cause of the scandal. This case study clearly demonstrates that, had the CEO been aware of the reputational damage to his organisation and himself, he might have taken action earlier to stem the negative media reporting and the adverse comments from the investment community.

Other researchers, including Schwaiger (2004) and Sobel, Farely and Taper (1992) are among those who have argued for the importance of intangible assets when assessing the competitive advantage of an organisation, and reputation has been described as being an important intangible attitudinal construct. Schwaiger’s perspective is that reputation can be described as a competence that contributes to above average profits (Roberts & Dowling, 2002) and also better access to capital. Another factor, the author of this thesis would argue, is that continuing positive media reports of the CEO and the organisation contribute to investor/analyst confidence in the organisation and can also contribute to shareholder confidence. This in turn contributes to the intangible assets of the company. Hall (1993, p.80) reported that:

“corporate reputation is the intangible resource most focussed on by chief executives.”

A survey in 2000 of large United States companies indicated that CEOs view reputation as important (Fitzpatrick, 2000) and that recognising that protecting and improving reputation is a necessary condition for maintaining a licence to operate (Pruzan, 2001).
2.13.2 How valid is the link between CEO communication and reputation?

Following on from the views expressed above, there are conflicting results from at least three more recent reported surveys into corporate reputation and the role of the CEO. The first, a 2011 research project by international public relations consultancy, Weber Shandwick, and KRC Research (2011), found their respondents reported that 60% of a company’s value was derived from its reputation, and that 49% of that reputation was attributable to the reputation of their CEO. The Reputation Institute (www.reputationinstitute.com) in its 2012 world-wide report “Navigating the Reputation Economy” stated that corporate value has become more heavily weighted toward intangible assets. The Institute quotes a study by Ocean Tomo, a United States based investment bank that from 2005 through to 2011 tracked the market value of Standard & Poor 500 companies who reported the value now comprises 80% of intangible assets, which includes reputation. The 2012 Global Corporate Reputation Index by Burson-Marsteller narrowed the actual value of reputation to that of 16% of a corporation’s value (Barrett, 2012).

Therefore, although all three surveys provide different numbers, it can be firmly stated that reputation does have a significant role in determining the value of an organisation. CEO’s need to be aware of the role of reputation, both for themselves and the organisation and have strategies in place through their relationship management practices to protect and enhance their own reputation and that of the organisation they lead.

When discussing the role of reputation management with one senior communication executive (personal discussion with AMP corporate communication senior executive, Mathew Percival, 2010) he viewed reputation as a form of asset management and said it was a core element of the organisation’s communication strategy. In a review of the role of the corporate communicator in the United Kingdom, Pruzan (2001, p.88) stated,

“The results suggest that communicators in most large UK organisations accept this new value adding paradigm and appreciate that reputation management has a key role to play in the development of their communication strategies. But, whether the CEO or the communication director is the ultimate guardian of the corporate good name is an area ripe for future research.”
From the evidence gathered for this research it can be argued that the CEO should be the first person to respond to any high level media, analyst/investor inquiries. This is because they are viewed as having the core reputation protector role.

“Individual characteristics can impact on reputation-those characteristics may very well be associated with powerful individuals such as the CEO,” (Mahon and Wartick, 2003). Hutton et al (2001) stated it is a consistent finding that the most reputable organisations seem to have well known CEOs and Pruzan (2001) noted that corporate leaders appear to be reacting rationally to the new challenges arising from the increased focus on corporate reputation.

Yet there has been no specific study of the influence of the CEO’s communication competence on organisational reputation and how key external stakeholders link the CEO’s reputation with investor and analyst buy/sell/hold, or how key business media perceive the CEO as a communicator. This gap in the research literature is being filled by this exploratory study. Studies quoted by Mahon and Wartick refer to organisational reputation and they cite Fombrun (1996, 1997). Fombrun and Shanly (1990) have stated there is little research in the non-market based area such as “the political, regulatory, social arena and in the give and take of public opinion as presented, shaped and formed by the media,” (p. 20).

It is submitted that the CEO does have a major role in these particular aspects of reputation management (i.e. political, regulatory, social and media relationships) and unless their personal reputation is one of trust and their communication is received and understood with a high degree of credibility, then the overall perception of the organisation will not be very high.

Since 2003 the Centre for Corporate Public Affairs (http://www.accpa.com.au) has been gathering data on how corporate affairs practitioners in Australia measure this aspect of their function. In 2009 (State of Australian Public Affairs: Surviving the storm, November, 2009), 54% of respondents reported they utilised a structured internal system to measure reputation among key stakeholders, up from 47% in 2006. Reporting on the growth of the reporting of reputational standing, the document at p.18 states, “What this tells us is that reputation as an indirect business asset is valued like never before in large Australian corporations and organisations.”
"Perhaps the corporate reputation does influence stakeholder images. Those images—a continuous and multifaceted process—are influenced by total evaluation of an organization—the product of a mix of behaviour, communication and expectation" (Pruzan, 2001, p.82).

CEOs are viewed by shareholders and analysts as being responsible for managing the business to ensure steady growth in the value of their investment. Therefore their public statements are followed with a high level of attention. CEOs need to be aware of the mindset of these key groups when developing any communication strategy to address this segment of their communication market. Word selection and nuances can be used to build on their own reputation and that of the organisation, but conversely, when incorrect messages are delivered, it can be detrimental to them and the organisation. Financial analysts constantly seek signals from organisations as to trends and seek information from a wide range of other sources (such as the media) to assist them with their recommendations. When a CEO gives a briefing, every sentence is deconstructed and assessed.

CEOs need to understand that their own future and that of the organisation could depend on how effectively they “sell” themselves and the organisation. This involves how they look in front of a television camera, how they speak on radio, and how a print journalist interprets their words. The media also play a crucial role in creating perceptions of CEOs and organisations. Managing this aspect of their leadership mandate can make or break the individual or the organisation.

Gray (1986, p.72) noted that chief executives are “the central focus of public opinion of the corporation. Moreover, management from the chief executive officer down admits that public visibility can have a dramatically positive impact on how the public perceives a corporation.” He suggests the “chief executive officer is the voice of the corporation, a voice that reflects the image of the entire organization.” As the corporate spokesperson, the CEO assumes “the burden of defining, molding, and communicating the corporate view. Part of the task is to assure that corporate policies are expressed in a way that reflects the corporation as a credible, open entity responsive to public expectations.”

Nixon (Pitts, 2006), the then CEO of Royal Bank of Canada, told the Globe and Mail newspaper that he was also “CRO, or chief reputation officer” and that the “The CEO is ultimately the chief reputation officer because of all the things—in terms of risk, sponsorships, customers—that flow up to the top.”
“Indeed respect and reputations are fleeting concepts, and hubris stalks any CEO who trumpets short-term honours too loudly.” Nixon was also quoted, “CEOs take a more long-term view of reputation than the media or analysts.”

Reputation was a potential source of competitive advantage but relationships between a leader and organisational reputation are more “deduced than demonstrated,” state Davies and Mian (2006, p.1). These researchers unravelled this dilemma through studying the linkages between the image of politicians and CEOs to understand “the phenomenon of what we label as the leader reputation effect” (p.1). Drawing on their research into political campaigns, Davies and Mian (2006, p.2) refer to political campaigns being important for building brand and image and suggest some characteristics to be considered are competence, integrity, reliability, decisiveness, energy, being tough, well informed, caring, a good listener, likeable, trustworthy, demonstrating compassion, leadership, integrity and intelligence. The authors also refer to competence, “one aspect of reputation frequently assumed to be important is also a relevant dimension in the CEO literature.” To assist them with their investigations they developed a Corporate Character Scale (Davies, Chun, da Silva and Roper, 2004) with seven orthogonal dimensions: (agreeableness; enterprise; competence; chic; ruthlessness and informality. These dimensions are also analysed in Chapter Two as to their value in developing a CEO communication behavioural attribute framework against the relationship management theoretical findings. There was some degree of similarity that materially assisted in the development of the communication behaviours and attributes that were later tested in the quantitative research.

Chun and Davies (2006) found “that the image of the leader can dominate that of the organisation being led” (p. 4), and the leader influence appears to be “contingent upon both the dimension of reputation being considered and the segment of ‘customers’”. The reputation of the organisation’s leader and that of the organisation being led are positively correlated.” In a later 2010 paper, Davies and Mian (2010, p.332) made a point that their focal issue was the relationship between leader reputation and organisational reputation, one that is more claimed than tested (Gaines-Ross, 2003; Laurence, 2004)”. Studies of the influence of leadership reputation they found (at p.332) “relied on media content analysis or opinion surveys rather than on research among stakeholders and so we lack objective evidence of the links between the reputation of the leader and that of the led with the public in either the commercial or political arenas.”
Davies and Mian (2010) also wrote (p.332) that,

“The leader is a significant symbol of any organisation and the leader’s actions and words can be more important symbolically than operationally, for example at a time of crisis the way the leader responds can have a major impact on reputation (Vidaver-Cohen, 2004). The leader also acts as a significant source of information about the organisation. The source credibility literature suggests that the effectiveness of such a source depends on how trustworthy that source is perceived to be.”

This doctoral thesis has taken up that challenge and researched key stakeholder groups for a causal link between a CEO’s reputation and the external stakeholder’s ability to recommend buy, sell or hold stocks, or for the media not to be critical of some CEOs as they held them in high regard. Researchers in the business field have discussed organisational legitimacy as an outcome of the relationship between the social values of an organisation and societies’ expectations. Srivoravilai, Melewar, Liu, and Yannopoulou (2011) found that a poor reputation had fewer consequences than a loss of legitimacy, but from the case studies presented in this research in Chapters One and Two, and some of the reputation surveys (Weber Shandwick, 2011; Reputation Institute, 2012; Burson-Marsteller, 2012; and Edelman, 2013, 2014) reputation is a significant contributor to an organisation’s value.

Other business academic researchers have linked the CEO with an organisation’s reputation (Dowling, 2006; Mahon and Wartick, 2003; Schwaiger, 2004; Bruning and Ledingham, 2000); its ability to be profitable (Cianci and Kaplan, 2010; Karuna, 2006; Penley, Alexander, Jernigan and Henwood, 1991); and the standard and quality of the organisation’s relationships with shareholders, analysts, governments and communities (Davies, Chun, da Silva and Roper, 2004; Davies, Chun and Kamins, 2010; Bronn, 2007; and Murray and White, 2007). There is also a direct connection between a CEO’s competency to communicate and organisational and personal reputational matters, and a small number of researchers (Foreman and Argenti, 2005; Murray and White, 2005; Melewar, 2008) have linked organisational reputation to that of the CEO’s reputation. This link between CEO reputation, an organisation’s reputation and communication is further supported by Fombrun (1996, p. 57) “To acquire a reputation that is positive, enduring, and resilient requires managers to invest heavily in building and maintaining good relationships with their company’s constituents.”
Therefore trust and credibility are the foundation of any relationship and the link between these concepts and communication and relationship management as the theoretical foundation for this doctoral thesis is further analysed in Chapter Three.

Gaines-Ross (2003) wrote that the CEO had a role as the primary organisational symbol and was the soul of any organisation supported by evidence provided by surveys by an international public relations consultancy (Burson-Marsteller in 1997, 1999 and 2000). The outcomes from this research reinforced that close to 50% of business influential’s (described as senior executives, Wall Street investors and analysts, governments and media representatives), believed that a favourable CEO reputation caused people to buy or recommend shares, give CEOs the benefit of the doubt in a crisis, and recommend the company as a merger partner.

Further, Gaines-Ross reported (2003, p.16) on research by then Wharton, now Stanford, Professor David Larcker who reported that “a 10% positive change in a CEOs reputation among CEOs studied in the 1999 Burson-Marstellar study resulted in a 24% increase in the company’s market capitalization.” However, the only few references to CEO communication were the skilful use of words when speaking and the importance of engaging with employees principally, and very little on communicating with external stakeholders. Research by major financial services consulting firms (for example Cap Gemini, quoted in Gaines-Ross, 2003) highly regarded the quality of management when assessing the value of a business. Therefore the relationship between a CEO’s communication competence and the organisation’s reputation with analysts and investors was one of the core questions that needed to be asked in the research for this thesis.

The role of the media is also mentioned by Gaines-Ross (2003, pp. 94-95) and she suggests CEOs interact with the media “only with planned intent, for strategic reasons” and to send positive messages to key stakeholders such as customers, vendors and the community. This reference directed the researcher to include a specific question on reputation when interviewing the senior business media commentators and if they factored in a CEO’s reputation as a communicator when dealing with them.

Park and Berger (2004, p.93) stated the CEO could actually be seen as “the organisation” and that image and impression management perspectives helped define an image (which is an impression created by how the media presents a CEO).
These authors noted that reputation was a “composite of attributed values (corporate authenticity, responsibility, integrity) evoked from the image a person holds of the corporation” (2004, p. 95). Chief Executive Magazine (November-December, 2005) discussed the relationship between the CEO and brand health and referred to research where 50% of an organisation’s reputation was connected to the CEO’s reputation. Roles as spokespersons, being the core media contact and being visible are now part of every CEOs position description. However, as has been stated often in this thesis, many aspects of the reputational aspects of a CEO’s position are difficult to define. Doorley and Garcia (2007, p.4) refer to this conundrum,

“Although CEOs agree that reputation has a value-it is an asset few firms actually treat it as such. Few companies or non-profits take a rigorous, quantifiable approach to reputation management-measuring, monitoring and managing reputation assets and liabilities-yet such an approach is intrinsic to the concept of asset management.”

Perspectives of the communication competency of CEOs by senior Australian financial commentators are discussed in depth in Chapter Six and these transcripts assisted in framing some of the quantitative questions used for the investor/analyst research.

Organisations need to deal with multiple stakeholders and in the case of this thesis it is the relationship between a CEO and key external stakeholders that is being studied. Recent research by United States public relations consultancy, Weber Shandwick and KRC Research, in 2011 (Weber-Shandwick, 2011) reaffirmed these earlier studies with 49% of executives stating the reputation of their company was attributable to the reputation of their CEO. In the same research project, consumers were asked what influences them about companies. Six out of 10 (60%) stated they were influenced by what top leaders communicated (which outranked investment specific advertising and social media conversations (49%).

2.13.3 Linking communication, reputation and external stakeholder perceptions:

Using Hall, Blass, Ferris and Massengale’s (2004, p.518) words, the researcher is delving into the “underlying individual level socio-psychological process” that involves the individual communication skills required by CEOs to manage their organisation’s and their own reputation.
These authors further state that “reputation and trust are constructs that have been generally unexplored in past theory”. Their paper discusses how reputation, trust, and accountability “might significantly influence the nature of leader behaviour” (p.516) and “thus accountability, reputation, and trust are complex phenomena intricately intertwined in a largely socio-political process that influences leader behaviour and constituents’ reaction to such behaviour,” (p. 517).

They also refer to Ferris, Blass, Douglas, Kolodinsky and Treadway’s (2003, p.518) definition of a leader’s reputation as;

“[a] perceptual identity reflective of the complex combination of salient personal characteristics and accomplishments, demonstrated behaviour, and intended images presented over some period of time as observed directly and/or as reported from secondary sources.”

The concluded that leaders with a high reputation are regarded with a “higher degree of trust, are monitored less and held to lower accountability standards.”

This chapter has investigated the communication aspects of a CEO’s relationship with the company’s key external stakeholders and the role of reputation (that of the CEO and the organisation) in managing the relational outcomes through communication to ensure the organisation is perceived as trusted and credible. Dolphin (2004) quotes Bickerton (2000) for a proposition that supports the relationship between transparent communication and reputation. He argues that any communication that makes an organisation more transparent enables shareholders to appreciate its operations more clearly and is facilitating a better reputation. The CEO’s ability to communicate in a transparent manner should be an attribute that leads to a reputation that will be commented on favourably by key external stakeholders, such as analysts and the media. A positive response should have a consequent outcome of the CEO and the organisation being viewed as effective (i.e. no reduction in the share price, shareholders staying loyal, or analysts being positive in briefings). Where a CEO is viewed by the market as ineffective, as Macdonald, former CEO of James Hardie Industries, was in 2004 when he was found to have been dishonest, deceptive, distrusted and uncommunicative, then negative consequences can arise. The company suffered a poor share price, vilification in the media and become the subject of many academic articles on the topic of reputation (Watson, 2006) and legitimacy (Patel and Xavier, 2005).
As reported earlier, reputation is a key research area in the corporate communication and business and leadership fields, but Mahon and Wartick (2003) stated it was difficult to conceptualise and measure. Schwaiger (2004, p.46) wrote that very little attention had been paid to “company brand equity or to corporate equity, which is determined by corporate reputation.” He wrote that reputation can be described as a “competence” (p.47) as an outcome of a very detailed analysis of many European and United States studies into what comprises reputation. He reported that competence was “driven by quality, performance and attractiveness,” (p.66) but there were no questions about the CEO in any of this research, the only references to communication being that the ability of an organisation to communicate had the highest factor loadings for the concept of “general reputation,” (p.55).

Therefore the quantitative component of this thesis fills a substantial gap in the field and provides, for the first time, data that boards and executive search organisations can utilise when testing the communication competencies of prospective CEOs.

### 2.14 Communication, reputation, relationship management, external stakeholder views and a gap in the literature:

Bortree (2011) investigated the public relations relationship literature and found that very few studies had been made into the antecedent of relationships, one of the foundational elements of the theory underpinning this thesis and discussed in Chapter Three. He was searching for the reasons stakeholders initiate relationships with organisations. Earlier researchers Grunig (1989, 1997) and Hallahan (2000) found that the situational theory of publics (stakeholders) was based on the concept of involvement. Therefore the media needs to report on the many issues surrounding organisations and, as a consequence, have an ongoing involvement (relationship) with a CEO to be able to call and ask questions. The CEO needs to be aware of this need so they can reciprocate (i.e. continue the involvement). From the discussion in this chapter, a CEO also needs to be aware that their reputation is tied closely to their organisation and therefore any communication with the media must take cognisance of the reputational aspect of their role. Investors and analysts need for involvement with a CEO is driven by their work communicating with the CEO, the organisation, and a wide range of other stakeholders (which also includes the media).
This is so they can make recommendations regarding the value of the organisation. Reputation will have either a positive or negative impact on this antecedent relationship.

Research has been initiated on how CEOs are perceived (Wood and Vilkinas, 2007). Fanelli and Grasselli (2005) investigated CEOs and the form and content of their persona and vision and how that is received by analysts. One aspect of the Fanelli and Grasselli study focussed on the nexus between stock market analysts and CEOs, as the authors predicted a strong linkage between “investors’ expectations of future performance,” (p.814). If the stated strategy by a CEO contradicted the anticipated financial performance of the organisation, then stock losses could result and the CEOs reputation and career could also be negatively impacted.

In 2006, a major communication consultancy, Hill & Knowlton, reported on a Mori study (Ipsos-MORI, 2006) initiated by them in which the quality of the leadership team was given a ranking of 86% by financial analysts where organisations were “making good on promises” and they stated that reputation had a direct correlation to a return on shareholder value. That is, the reputation of the C-suite (CEO, and Chief Financial Officer and Chief Operating Officer) was important in influencing analysts. “Furthermore, execution and communications are key to building a strong reputation, with nearly 100% of the respondents saying the execution of a company strategy contributes to a company’s value, while poor execution and communications have played a role in negative ratings,” (http:www.hillandknowlton.com/crw). Hall (1993, p.80) reported that corporate reputation is the intangible resource most focussed on by chief executives.

The linkage between CEO reputation, an organisation’s reputation and communication is described by Fombrun (1996, p. 57) as “acquire a reputation that is positive, enduring, and resilient requires managers to invest heavily in building and maintaining good relationships with their company’s constituents.” Therefore reputation, trust and credibility are the foundation of any relationship.

A search of the business pages of the national and international media over the past eight years for examples of poor communication and reputational damage by CEOs found many news items and commentary that illustrated a lack of awareness of the impact that poor, misguided, untruthful, or ineffective communication can have on the reputation of an organisation and also that of the individual CEO.
These case studies are discussed in Chapters One and Four. There are however, many recent instances internationally, and within Australia, where CEOs have not taken communication very seriously to the detriment of their personal reputation and that of their organisation. Garibaldi Meats were criticised by a coroner in 1996 for being deliberately slow in communicating with the market after a person died from eating contaminated meat. The company was eventually forced into liquidation (http://www.agrifood.info/review/1995/Kriven.html, accessed July 1, 2012). The CEO of Australian reinsurer, HIH, was sent to prison for destroying the reputation of the company and forcing it into liquidation (http://www.asic.gov.au/asic/asic.nsf/byheadline/05-94+Ray+Williams+sentenced+to+four-and-a-half+years'+jail?openDocument, accessed January, 2012). Cheng and Seeger (2012, p. 81) when analysing the HIH implosion, stated that “openness and transparency are essential conditions to ensure stakeholders receive reliable information about the value of the company and their involvement and needs are being considered.”

These authors support Fombrun and Rindova’s (2000) view that transparency requires expressive communication with stakeholders and that this implies openness, communication and accountability. Gallo (2011) in Forbes magazine praised the board of Hewlett Packard for their new CEO being chosen for the appointee’s communication skills. Gallo also made the strong point that communication is not a skill taught in most business schools, but that CEOs were expected to be high performers in this area, with 90% of the CEO job being about leadership and communication. One of the senior Australian financial columnists interviewed for this thesis reported that one CEO, whom he admired for his communication skills, had told him, “that 60% share price was blue sky and without substance, so that meant he had to be out talking, generating staff engagement, getting shareholders on board and motivating people,”(Confidential discussion, January, 2012).

Ulmer, Sellnow and Seeger (2007, p.83) noted that regardless of how a crisis is managed, “leaders should be visible, open and honest.” Macdonald, the CEO of James Hardie Industries, was found by a New South Government Inquiry in 2004 to have been dishonest and deceptive, and to have not communicated key facts to the market about decisions that were illegal and which caused a plunge in share values and a constant stream of highly negative media coverage: “One of the ugliest episodes in Australia’s corporate history” (Ackland, 2004). In a book on the James Hardie issue, Haigh (2005, p.328) wrote that Macdonald was “oblivious to the potentialities of public opinion.”
The CEO of Enron and one of the top-four accounting firms in the world, Arthur Anderson & Co, also failed to appreciate the reputational impact of the decisions of their CEO and senior management, and failed to communicate effectively with Enron shareholders, the media and governments, which resulted in both their organisations being destroyed. Seeger and Ulmer (2003, p. 59) argue that Enron’s management “failed in their communication-based responsibility to both larger social values and to their stakeholders.”

Enron, in fact, had as one of its value statements that it had an obligation to communicate, to talk with one another, listen, and that information moved people, but in fact there was very little open communication within and outside the organisation. A “cult of secrecy” (Seeger and Ulmer, 2003, p.74) existed and senior management blamed bad publicity and malicious rumours for its downfall. Leaders had three specific communication responsibilities stated Seeger and Ulmer (2003) which were telling staff about organisational values, informing them of what the company was doing, and attending to problems as they arose. Very few of these were followed by Enron’s senior executives.

A positive Australian example was the biscuit manufacturer, Arnotts, that promptly recalled all its products in 1966 following an extortion threat with the CEO appearing on an many news and current affairs programmes as soon as possible after the threat, and being praised for the prompt action, which enhanced his and their reputation and goodwill (positive media comment and a no disruption to its sales growth as reported by English, 1997).

Another positive example is that of Alan Joyce, the CEO of Australian airline Qantas, in 2011, who took decisive action against the airline’s unionised workforce, and made himself available 24/7 to speak to the media, analysts and a Federal Parliamentary hearing. A consequence was the share price actually increasing as Joyce’s detailed explanations for his action was communicated widely in all media. Industry analysts were reported as being in favour of the actions of the CEO and the communication process that was implemented.

Gaines-Ross (2000) provides further insights into how a CEO’s reputation can strongly influence how an organisation is perceived by its key external stakeholders. Seven qualities are derived from her research into CEO reputation, which all have strong communication values. Boards could use these qualities as a guide when selecting CEOs but would not know how external stakeholders rank those qualities.
This thesis fills that gap in the literature by providing details of what communication competencies CEOs must have when dealing with their key external stakeholders.

Gaines-Ross (2000, p.368) outlined the qualities (which must be pointed out, do not come from rigorous, academic research, mainly consultancy-industry surveys) and which are summarised here:

(a) As a champion of vision and values: CEO communication is what shareholders, analysts, lenders, suppliers, employees will judge if a CEO is skilled at identifying the most meaningful messages and “using communication channels that best reach the audiences they are most interested in influencing will rule the marketplace” (p. 368);

(b) Industry stand-out: the CEO ensures the company is “perceived positively by analysts” (p.368);

(c) Skilled communicator: consistent external communication that will accurately reflect the organisation’s goals and direction;

(d) Master of all communication channels: the CEO knows traditional and all other channels that stakeholders access to form opinions and knows how and when to use them;

(e) Leads a strong management team: leadership credibility involves support from the management team;

(f) Forward thinker: foresees and plans for change; and,

(g) Expert in sharing information: know what stakeholders need from a CEO and are able to deliver it personally.
2.15 Chapter summary:

The themes that this chapter has discussed are summed up by Park and Berger (2004, p.118):

"Indirect or secondary relationships with organizations develop through news stories, advertising, comments and observations of others, product or service experience, and so forth. Therefore studies that explore the roles and contributions of 'leading' organizational members like CEOs to organization-public relationships, both direct and indirect, may extend relationship knowledge and theorizing."

The literature review, the content analysis of the CEO transcripts and the interviews with the senior media commentators supplemented with the quantitative interview results have all referred to the linkage between the key external stakeholders and the CEO and the relationship between these groups and the reputation of the CEO and the organisation. Park and Berger also present the view that CEOs “personify corporations to internal and external stakeholders” and “CEOs may literally and symbolically be the organization to stakeholders” (p. 93). The authors state that reputation was a composite of “attributed values” (e.g. corporate authenticity, responsibility, integrity) that were evoked from the image a person holds of the corporation (p.95).

CEOs need to include in their competency tool-kit a list of all the key external stakeholders whom they need to have quality relationships with; then they need to prioritise that list (it would have investors, analysts and the media at the top, followed by customers, suppliers, governmental contacts and then community groups) and then develop a programme of regular contact. Some of that contact is statutory (half yearly and annual briefings for shareholders), followed by quarterly analyst and media briefings, plus other briefings as required around significant events (such as a takeover, a significant mineral discovery, or a new member of the senior management team). The corporate communication team would be involved with many of the specific activities associated with identifying the stakeholders and prioritising them and acting as environmental scanners (Dozier, Grunig and Grunig, 1995).

This is where organisations using the open-systems approach (see discussion in Chapter Three) develop communication responses to how they will manage key stakeholders, which means collecting, collating, reviewing and interpreting a wide range of economic,
societal, cultural, political, technological data likely to have an impact on an organisation and the CEO.

This chapter reviewed the literature from management/leadership, organisational communication and public relations and argues that communication as a specific leadership attribute needs to be shaped into a core competency for those wishing to fulfil the post of CEO. Managing all that is expected in today’s complex world requires CEOs to also be the CCO with relationship management expertise. The literature identified a number of core themes including dialogue, listening, openness and trust, managing relationships and communicating a vision as leadership communication behavioural attributes. The link between reputation and communication was also examined.
Chapter 3: Systems theory and relationship management:

3.1 Introduction:

Communication is an often "taken for granted" activity across many disciplines in leadership, management, organisational communication and public relations. However, the need to communicate underpins everything humans do and theories of communication have been developed over the years to explain how humans manage their communication across a wide range of interactions-parent and child; parent and parent; between siblings; romantic partners; women and men; doctors and patients; nurses and patients; employees and managers. In the field of organisational communication, issues of power, uncertainty, complexity and how meaning is managed underlie all scholarly research. Studies in this field also depend on the “appropriateness and rigor” (Scandura and Williams, 2000) of the research methods, therefore the underlying theoretical approach to answering the research question requires a detailed analysis of what comprises communication theory. Assessing what is an appropriate theory requires the researcher to construct an experience based on observation (Littlejohn, 1983). The philosophy of knowledge (epistemology) asks many questions of the researcher (“how do we know what we know?” Krauss, 2005, p.759). A social science researcher who is seeking to understand the relationships between organisational leaders and many of their key stakeholders will be seeking realistic answers based on a wide range of theoretical views. Communication is not a single unified act, but involves a series of behaviours of a group of people clustered together for the purposes of this thesis. The theory on which this thesis is predicated is systems theory and that of relationship management which, it is argued, has applications across not just organisational communication and public relations but also management and leadership and therefore spans a number of disciplinary boundaries.
Following is the summary of the theoretical framework from Chapter One on which this thesis is based (Mackenzie and Knipe, 2006):

### 3.1.1 Ontological assumptions:

Based on the researcher’s previous roles as a senior organisational communicator, and a recent academic in the field of public relations and organisational communication, what is known is that CEOs are perceived by external stakeholders such as the media and investors and analysts as being the person who is responsible for the organisation’s reputation and financial management. In today’s more transparent, and accountable world, external stakeholders have a legitimate place in the social construction of organisations and how they perceive their relationship with the organisation’s leader. The organisation is a system that is a creation of all those who work in it, or who observe it and which is continuously being created and re-created. The CEO is the communication embodiment of the organisation and the researcher believes this role needs to be better understood by business leaders, academics and students of organisational communication.

### 3.1.2 Epistemological assumptions:

The researcher has stated their belief about the nature of organisations and the role of external stakeholders in assessing the communication competency of a CEO. Objective data about the perceptions of external stakeholders was gathered from a variety of published sources, from personal interviews and a survey. The publications were mostly refereed papers, the senior business media commentators regularly interview and interact with CEOs and are in a position to make judgements about how they perceive their communicational attributes, and investors and analysts constantly review all aspects of how a CEO manages an organisation. This knowledge forms the basis of the outcomes of the thesis.

### 3.2 Methodology:

As communication is a social science and deals with humans who all have varying characteristics and perceptions, an interpretive approach underpins the thesis (this relies on understanding “the everyday lived experiences of people,” Neuman, 2000, p. 70). A hermeneutical approach supports the interpretive approach. Hermeneutics theory is based
on detailed readings or examination of texts (Neumann, 2000) and that was the technique used to collect the majority of the data that was examined for this thesis.

This also meant the researcher brought to the process their own perceptions, biases and history, as Cheney (2000, p. 20) wrote, “What I, as an investigator, do is interpret the world.”

Methodology, state Strauss and Corbin (1998, p. 3) is a way of thinking about and studying social reality. Following Strauss and Corbin’s (1998, p. 5) dictum, the researcher's experiences were used “as foundations for making comparisons and discovering properties and dimensions.” There was a further need to be flexible, avoid uncertainty and the work had to have “direct or potential relevance for both non-academic and academic audiences” (p.6). What this thesis is examining is an aspect of the discipline of organisational communication and public relations that has not been the subject of previous academic study. Therefore the research methodology to be utilised needs to meet academic standards of “appropriateness and rigor” (Scandura and Williams, 2000, p.1248). This requires a trail of evidence that is credible and trustworthy (Fereday and Muir-Cochrane, 2006). The research outcomes need to be logical and consistent. Finding a process to search out the required framework for the development of a model was a challenging task. Understanding that rigour and credibility were required in developing a framework for a social science research thesis, a series of approaches were considered. Also the complexity of the process could not be underestimated. The research draws on the fields of psychology, sociology, business, management, leadership, organisational communication and public relations, which meant that multiple viewpoints needed to be researched and analysed. This expanded approach required a move to a broader explanation of the communication behavioural attributes required by CEOs when dealing with key external stakeholders.

It is not the purpose of this thesis to undertake a detailed assessment of how to measure communication competence. This should be left to psychologists who have developed specific standard tests for measuring a wide range of cognitive skills (Duran and Spitzberg, 2009).

When assessing what methodology would be suitable for answering the research question, a qualitative approach was initially considered. This was primarily because the
research contained the concepts of “leadership” and “meaning making” from the management/leadership and communication literature. These concepts fit within a qualitative paradigm that emphasises a detailed reading and examination of texts (books, journals, news media articles and commentary, news media interviews).

Denzin and Lincoln (2013, p. 6) state that a qualitative methodology “locates the researcher in the world,” and the use of a set of interpretive practices “makes the world visible.” The researcher comes from the world of corporate communication, and as has already been stated, brought a perspective created by positive and negative relationships with CEOs, senior executives, corporate communicators, the media, governmental bureaucrats and community organisations. These are the groupings that mainly comprised the key external stakeholders for the purposes of this doctoral thesis; therefore there was an understanding of the external environment being investigated. The researchers’ own biases have been shaped by having worked with CEOs, a few of whom have been very good communicators, many of them indifferent, and one or two very poor. With this knowledge the researcher started to question the correlation between those who were good communicators and their success as organisational leaders. It became apparent when reading the business media and watching CEOs being interviewed on electronic media, that there was a tentative linkage between those CEOs who appeared to receive positive reports about their leadership and the reputational standing of their organisation based on regularly positive media reports. The organisations that were under the guidance of these CEOs also seemed to regularly report better than average returns for their shareholders (e.g. CSL, Westpac, ALS Limited, Wesfarmers, Computershare, Cochlear, Origin Energy, Newcrest and Coca Cola).

From these observations the researcher began to question if there were some specific identifiable causes for the CEO to receive favourable media attention and whether this was built on a communication relationship with senior business media commentators> If so, were these the same factors also delivered supportive analyst and investor views and amicable community relations relationships? Therefore this thesis has followed a qualitative journey and investigated a wide range of books, texts, journals from management and leadership to find any mentions of communication behavioural attributes from these literature sources. This is qualitative secondary research. Further secondary research was a qualitative review of the Australian business media to find references to CEOs whom were considered by their peers and the media to be effective communicators.
(that is, they won awards for excellence in communicating). Informally, some senior business media columnists gave some CEO names to the researcher. Primary qualitative research followed with depth interviews of eight senior business media commentators who regularly speak with, interview and write about CEO’s.

To ensure that the research question was examined through a number of academic lenses, the following sections discuss in detail the various methods chosen to ensure the research question was explored in detail. These were interpretive (qualitative) and mixed-methods approaches (qualitative and quantitative).

3.3 Making meaning:

A vital aspect of communication at the level of CEO communication is what Macnamara (2012, p.24; Krauss, 2005) describes communication as meaning making, and that it is transactional, symbolic, and is influenced by a number of individual, social and cultural factors. It is probably a big task to expect a CEO to understand these technical and academic terms. It should be the task of communication advisers to provide a CEO with information on the external environmental issues and factors that will assist them to construct and manage their messages effectively. Gregory (2008) in a review of the competencies of senior communication practitioners reported on research by Moss, Warnaby and Newman (2000), and Murray and White (2005) that CEO’s are aware that their senior communication advisers can make a contribution to their organisation but there was an overall need for them to also be able to operate at Board level. Gregory’s (2008, p.216) refinement of competency to mean “behavioural repertoires or sets of behaviours” meets the same definition being used in this thesis. The next quotation creates a link between communication as meaning making and managing relationships:

“Meaning making, or understanding is a process of identifying relationships among phenomena,” state Baxter and Babbie (2004, p.4).

By taking the behavioural attributes described earlier (impact, intersubjectivity, and meaning making) it is argued that to ensure communication behaviour does affect others, such as an organisation’s key stakeholders, a CEO needs to ensure that knowledge is shared and that meanings are made and managed.
3.4 Potential fields of theoretical analysis:

Studies in the communication field involve the investigation of a wide range of contexts. In the managerial/leadership and organisational communication/public relations worlds, communication can mean include face-to-face, interpersonal, group and inter-group, speech making, understanding cultural issues, being aware of the primary external issues, and understanding the mass media, to name just a few. These elements of communication require a deep knowledge of communication theory and principles, subjects that are not part of the traditional MBA curriculum. CEO’s, it is argued do not generally receive specific introduction to the basics of managing all of these various aspects of effective communication. Therefore it is imperative that CEOs need to be aware of the basic foundations of effective external communication so they can manage their relationships with key stakeholders.

The research question falls within the communication discipline, and following from the discussion above, is creating meaning from messages (Hewes and Planalp, 1987; Cheney and Dionisopoulos, 1989; Broom, Casey and Ritchey, 2000; Hargie, 2006; Macnamara, 2012). The sub-disciplines of organisational communication and of public relations are the further basis for the theoretical assessment on which this thesis is based. Following what has been discussed above, the relationships that the parties to the research have with each other, the position being taken by the researcher is that the relatively new construct of relationship management theory is applicable to this thesis (Broom, Casey and Ritchey, 2000; Ledingham, 2006). Reputation and perception management theories (Gaines-Ross, 2000, Kitchen and Laurence, 2003), rhetorical theory (Heath, 2006; Coombes and Holladay (2011) and systems theory (Farace, Monge & Russell, 1977) are also relevant to this research.

The role of communication as a process is extensively analysed in communication, public relations, and management texts and this includes such techniques as the most effective means of writing memorandums, conducting meetings, briefing large groups, or presenting board papers (Taylor, 2005; Searles, 2006; Ettinger and Perfetto, 2006; Eunson, 2005; and Mohan, McGregor, Saunders and Archee, 2004). These processes do not answer the research question, however parallels can be drawn with what comprises effective internal communication within organisations. Researchers in the field of organisational communication have extensively assessed the impact of effective internal communication
in terms of productivity increases and higher levels of staff morale. One example of how a CEO understood how to effect change through internal communication was when David Morgan, then managing director (and CEO) of Westpac, a major Australian bank, on 12 April 2006, reported that changes in culture in recent years had increased staff retention rates, saving the bank about $50 million in associated costs a year (The Age, 12 April, 2006).

The former Westpac Head of Group Internal Communications, Lorraine Lennon, told the author of this thesis (personal conversation, May, 2005) that these changes were all communication-driven. In April 2006 in a presentation on the bank’s website (www.westpac.com.au) it was reported that employee commitment at the bank showed that 69% of employees reported a positive score. This outstripped the median for global financial services companies of 66% and for large Australian companies, which was 64%.

These findings signalled a substantial change in the how employee’s perceived their employer and similarly, earlier research by Goldhaber (1993, p.69), reports a 1977 study by Katzel, Bienstock and Faerstein where a positive reinforcement programme based on improved communication between staff and managers resulted in a rise in sales, savings over three years amounting to $3 million, and where standards of customer service were met 90% to 95% of the time (compared with 30-40% previously).

These examples demonstrate the vital importance of communication as a core organisational competency and this importance can be extrapolated to the external communication environment. The next section assesses potential concepts from the organisational communication and public relations literature that were investigated for seeking a theoretical foundation for the research question.

3.5 Relationship management theory- introduction:

The transformation of public relations and organisational communication from media-centered mass communication where messages were passed down from senior management to stakeholders, to a dialogic, two-way communication (Pieczka, 2010) has changed the basis of organisation-public relationships. Generating favourable publicity was at the core of public relations in the United States, Australia and the United Kingdom
during most of the 20th century. Nearly all public relations practitioners were “journalists in residence” (Ledingham and Bruning, 2000, p.xii).

These same authors noted in 2000 that the field of public relations was still seeking a theoretical framework. This was despite the efforts of Grunig and Hunt (1984) who offered four models of public relations based on systems theory. These models were given the overall label of the situational theory of publics, and have become the most analysed and dissected fields of public relations research in public relations academia.

The four models (press agent/publicity, public information, two-way asymmetric, and two-way symmetric) generally are studied today in undergraduate public relations courses across Australia. Grunig and Hunt’s (1984) research has also informed a wide range of books and articles on public relations theory (Botan and Hazleton, 2006; Toth and Heath, 1992; Grunig, 1992; Heath, 2000; Toth, 2000; and Pieczka, 2010). The fourth model, two-way symmetric, initially was viewed by academics as being somewhat idealistic. This model did not take into account the power imbalances that are extant between large organisations and individuals (L'Etang, 1995 and Pieczka, 1996). Today it is accepted (Spicer, 2007) that some degree of mutuality, strategic communication (Kent and Taylor, 2002) and negotiation is a “win-win” (Macnamara, 2012) condition of any public relations theoretical inquiry.

The pioneer of the construct of public relations as relationship management was Ferguson (1984) who introduced the concept of a relationship between an organisation and its stakeholders as the unit of analysis for public relations researchers. This required “understanding organizations, understanding publics, and understanding the larger social environment within which these two social units exist (1984, p.26.).” This systems view of public relations said Toth (2000), meant that interpersonal communication should be the one major construct for managing relationships. This diversity of opinion required a more thorough investigation into what could be the basis for a Chief Executive Officer communication behavioural attributes model.

As outlined in Chapter One a number of fields were researched to find a substantive theoretical basis for this thesis. Systems theory is the starting point of the assessment of what theoretical construct underpins this thesis. It is acknowledged in the communication field (Grunig and Hunt, 1984; Grunig and Ehling, 1992; Toth, 2000; Tench and Yeomans,
that describing an organisation as a system is a suitable metaphor for how it operates with both internal and external stakeholders. A system is a set of interacting units that work collaboratively with each other, and which also respond to, and feedback, to changes in the external environment so the organisation can stay relevant and meet the daily challenges of business. As the external environment is continually changing, the organisational leadership needs to remain aware of how these changes may impact the business, either positively, or negatively. Open systems need to continually adjust to maintain a balance between all elements in the organisation. For example, a call from a senior business media commentator to a CEO asking questions regarding a new international competitor would need to be carefully responded to, but only after a detailed analysis by the CEO of all the factors that would be needed to be considered before making any response. Also how that response is made will depend on the relationship the CEO has with the media, and therefore understanding the factors that have created that relationship is a further CEO task. How a CEO responds also depends on what meanings they seek to create when responding. Only through the management of the relationship and understanding how their meaning is going to be received, can effective communication occur.

Relationship management within a public relations context is the theoretical foundation for this thesis. Using the communicative concepts found in the literature, Alexander (2006) highlighted a case study where a CEO was dismissed for not being aware of the consequences of a relational failure to communicate with key stakeholders such as shareholders, analysts, governments, victim organisations, communities and the media. The company received substantial negative media with a consequential loss of financial value (Watson, 2007). Negative case studies, also discussed earlier, where the CEO of organisations did not engage in constructive dialogue with stakeholders for example Enron, WorldCom, James Hardie Industries, and BP, heightened doubts regarding the efficacy of many of the historical public relations theories, especially those that did not have a relational perspective.

Like most research in the relatively new fields of communication and public relations, there are many views and theories that can be applied to what is essentially a personal and subjective judgment. What is agreed as an attribute by one analyst may be viewed through a different lens by another analyst. There are therefore many variables that can impact the construction of a model of CEO communication behavioural attributes. The next steps in
answering the research question was to develop an outline that would for the first time account for those variables and identify those core behaviours/attributes that key external stakeholders tacitly acknowledge when they engage in a communication dialogue with a CEO.

Following Ferguson’s (1984) stance that relationship management should be the core of public relations scholarship, however, it was not until 1998 (Ledingham and Bruning, 1998) that this concept, and a signpost to the future, came to the attention of public relations scholars. The public relations world between the 1960s and the early 1980s was firmly based on concepts of persuasion, media management and sometimes propaganda.

The four-model typology of United States public relations practice (Grunig and Hunt, 1984), discussed earlier also became a seminal text around the world (Hutton, 1999). Critics of Grunig’s (1992, 2002) further work on developing an “excellence” theory based on the four-model typology questioned the unequal power that elites held (L’Etang, 1996a; Pieczka, 1996, Cheney and Christensen, 2001). It was stated by these academics that CEOs, for example, used their position to dominate any discourse between themselves and all their stakeholders.

A relational approach to public relations scholarship developed by Botan and Taylor (2004), and Botan and Hazleton (2006) was constructed to account for this power differential. This approach was posited on both the organisation and its stakeholders jointly developing the meaning of their communication interactions and was built around the development of communicative relationships with key stakeholders. Broom, Casey and Ritchie (2000), Botan (1997), Kent and Taylor (1998), Ledingham and Bruning (1998) and Grunig and Huang (2000) all supported this perspective. Ledingham (2003) stated a preference for one general theory of public relations – relationship management theory – as the appropriate framework for the study, teaching, and practice of public relations. He located his approach in the fields of management and interpersonal communication theory (pp. 193–195).

For the purposes of this doctoral thesis, a relational approach is built on the construct of a CEO of an organisation needing to develop an understanding of the financial, strategic, governmental, or community issues that are just as important to key stakeholders (media,
analysts, investors) as to themselves. Therefore the CEO needs to be aware of the need to consider the environments in which their stakeholders exist, and also their communication needs, before they can begin to construct messages that convey the desired meaning to ensure that their intentions are accurately conveyed. A CEO then needs to be aware of the need to develop, create and maintain relationships with all the stakeholders, and this thesis will construct the behavioural attributes required to manage those relationships.

3.6 Foundations of relationship management theory:

With the opening up of the world to technology and the increasing difficulty of being able to hide poor or no communication thinking, it has become apparent to scholars and practitioners that Ferguson’s notion that relationships, not the organisation, or stakeholders, or the communication process itself, was a firm conceptual basis for public relations scholarship. From Ferguson’s (1984) seminal presentation that formally introduced the concept of relationship management as a core public relations practice, a further development in this field was of public relations being positioned as a “management function” (Ledingham, 2006). This repositioning introduced research, planning, implementation and evaluation to the public relations process. These additions, it can be stated, substantially increased the value of public relations to an organisation, as public relations moved away from media relations and only writing material for internal and external stakeholders, to taking a research-driven strategic approach to communicating internally and externally. Communication managers increasingly became advisors to the CEO on what competencies were required when dealing with a broader range of constituents (such as shareholders and analysts, governments, communities, activists, as well as the media). This was a further move away from earlier technician models of public relations that had been drawn from the speech and media communication fields (Broom, 1986). The Centre for Corporate Public Affairs, an Australian peak body for public affairs practitioners regularly reviews the state of the industry, and has found a substantial change in the way public relations is practiced at the senior corporate level. The last research in 2012 (of over 300 organisations), highlighted that 66% of the heads of the corporate communication function reported to the CEO, up from 62% in 2009 and the head of the function’s membership of senior management committees had increased to
68% in 2012 from 60% in 2009. These changes emphasise the increasing importance that leaders place in the role of communication.

With future CEOs having a deeper awareness of what comprises CEO communication behaviours/attributes, it can be expected that communication between a CEO and key external stakeholders can only improve for the betterment of the reputation of the CEO and the organisation being able to employ more dedicated people and enhance the financial prospects of the organisation.

A step forward from Ferguson’s (1984) breakthrough paper was the opening up of public relations to models that pioneered the construction of communication strategies (Dozier, Grunig and Grunig, 1995) and relational antecedents (Bortree, 2011). This shift in theory building toward relationship management it is argued, required a new definition for organisational (CEO) stakeholder relationships. Following from Ferguson (1984), the framework for a relationship management theory for public relations was initially developed by Broom, Casey and Ritchey (2000, p.91):

“Relationships consist of the transactions that involve the exchange of resources between organizations…and lead to mutual benefit, as well as mutual achievement.”

Ledingham (2003, p.190) reviewed Broom et al’s (2000) initial theory and restated it as:

“Effectively managing organizational relationships around common interests and shared goals, over time, results in mutual understanding and benefit for interacting organizations and publics.”

This statement, said Ledingham (2003) met Littlejohn’s (1995) functions of a theory in that it organised the study of public relations into a frame and summarised the knowledge developed from that study. It also had a singular focus on relationships and helped to understand what comprised this element of the public relations field. Ledingham (2003) also specified how to create and test models of the phenomenon, identify concepts and their relationship with each other, and initiate academic research and publications. It was also “normative in that it sets requirements for performance in terms of expectation fulfilment, and mutuality of understanding and benefit (p. 476).” Ledingham (2003) further explained how the theory demonstrated how mutual benefits can occur as a consequence of effectively managing the organisation, for the purposes of this thesis, the CEO-stakeholder relationships.
Measureable outcomes could also be identified such as positive media reports; quantitative survey outcomes by customers, consumers and suppliers; supportive analyst reports, and strong financial standings in industry surveys.

There is further supporting evidence from the literature (Westphal and Graebner, 2010; Segars and Kohut, 2001; Hart and Quinn, 1993; Cianci and Kaplan, 2010; Karuna, 2006) that a CEO's reputation on a firm's financial performance can be empirically measured. It can be stated therefore that the CEO's communication behavioural attributes would be a major factor in a firm's reputation, and this element of the research is tested in the quantitative survey used to seek the views of investors and analysts. The linkage between financial performance and a CEO's communication needs to be further studied.

To ascertain which variables comprised the communication behaviours sought by external stakeholders, Motion and Leitch (2007) highlighted the complexity facing public relations scholars attempting to identify a relevant unit of analysis due to a history of challenges regarding the efficacy, honesty and deemed lack of a strong theoretical basis for the practice of public relations. It is argued that the relational function of public relations as outlined by Motion and Leitch (2007) who identified “the construction of power relationships between discourse actors or ‘stakeholders’” (p.264), and “how public relations works and why it works,”(p.267) provides a firm basis for ensuring a more dialogic understanding between stakeholders and a CEO. CEOs have a multitude of relationships, some strong, some weak, with a wide range of key external stakeholders. CEO’s are also viewed as being powerful in that they are responsible for their organisation’s relationships both internally and externally. Through an awareness of what comprises effective relationship building and the benefits of taking a dialogic approach a CEO should be able to build and maintain the trust of external stakeholders. Pieczka (2010), a leading United Kingdom critical theorist in the public relations field has also articulated the importance of relationship management to the development of public relations theory. Pieczka quotes Ledingham and Bruning (2000, p.58) that Broom et al. (1997) had advanced a model for constructing theory concerning organisation-public relationships centred on the properties, antecedents, and consequences of organisation-public relationships. “We suggested that concepts of openness, trust, involvement, and commitment may act as dimensions of the organization-public relationship.” Pieczka (2010) also acknowledges that relationships are built from communication and that concepts of symmetry (a core element of effective communication) from interpersonal communication (a key factor in CEO-stakeholder
interactions) and cognitive psychology comprise a co-oriented model of explaining the human interaction process.

Piezcka (2010) also argues strongly for a dialogic rhetorical approach to the public relations discipline as the most effective means of ensuring all parties to the communication process achieve the outcomes they both desire.

Therefore the basis for proposing that relationship management theory as the relevant foundation for answering the research question is because:

a) All parties to the communication linkage between the CEO and key external stakeholders have common interests and shared goals (the act of effective communication management);
b) There is mutual benefit; and
c) There are measurable and predictable outcomes.

Taylor (2010), further supports the view that relational theory is based on the understanding that communication is the basis of creating, implementing, managing, and evaluating relationships between organisations (personified in the CEO) and all the key stakeholders. The relational perspective says Taylor (2010, p.7) “treats individuals or groups who share interpretations as partners that are necessary for decision making at different levels of society.” The outcomes from this research provides a new practical element to the literature in the field and will enrich the understanding of future researchers of relationship management studies.

3.7 What relationship management factors need to be tested?

Following from the discussion on power, in today’s more dialogic and management of meaning external environment, a CEO needs to understand how to seek the support, understanding, or awareness of stakeholders, which slightly reverses the usual power relationship between a CEO and other internal and some external stakeholders. Ki and Hon (2007) stated that that measuring the outcomes of organisational-public relations was an important indicator of public relations effectiveness and supported the literature that a stakeholder’s perception of a satisfying relationship is an antecedent to attitudes about the organisation, and the end result of behavioural intentions.
Key stakeholder perceptions of a CEO’s capacity to be seen as truthful, their ability to deliver a vision, and effectively manage relationships, are all measurable and therefore a CEO’s communicative competence with key external stakeholders can be the subject of further research which is the primary purpose of this thesis. However, it needs to be understood that many of the relationships that CEOs have with their key stakeholders are often transitory. For example analysts and investors frequently change but key media remain in their jobs for quite a long time. CEOs in a communicative situation are faced with a cognitive issue where all parties to the communication will bring their own perspectives to any dialogue. These perspectives will change depending on the particular circumstances of the communication situation.

Therefore it is incumbent on CEOs to have deep knowledge of the behaviours/attributes that drive effective communication so they can better manage the relationships they have with key external stakeholders. One of the core elements of this aspect of managing the relationship with key media, core investors and leading analysts is that people are more willing to exchange information when there is a high level of interdependence between the parties (Fontenot and Wilson, 1997; Kothandaraman and Wilson, 2000). For example, a CEO needs a positive media position if there are issues or a crisis that threatens to devalue the organisation’s share price. The response that the CEO develops needs to ensure that reputational damage is minimised. Analysts also need to clearly understand the CEOs response to the crisis/issue and not mark down or order a selling off of stock. Further, investors need to be assured by the CEO’s communication that they are still holding shares that are maintaining, or increasing their value. From the foundational concepts of communication as meaning making, and for communication in the context of this research being transactional, dialogic, based on trust, open and visionary and focused on managing relationships, the next steps of this doctoral research were to build the theoretical foundation on which to base a new model for the articulation of CEO communication competencies. The following chapter provides an analysis of how the theoretical elements from relationship management can be incorporated into a replicable and testable framework for evaluating the communication behavioural effectiveness of CEOs.
3.8 Building a framework from relationship management theory to test what behaviours external stakeholders are seeking:

When seeking to define organisation-public relationships, Broom, Casey and Ritchey (2000, p.18) wrote these were represented:

“By the patterns of interaction, transaction, exchange and linkage between an organization and its publics. These relationships have properties that are distinct from the identities, attributes, and perceptions of the individuals and social collectivises in the relationships. Though dynamic in nature, organization-public relationships can be described at a single point in time and tracked over time.”

This definition fits the construct of this thesis in that relationships between key stakeholders and a CEO (who can be defined as representing the organisation) can be measured, assessed and recorded and the outcomes of those relationships contribute to the construction of a framework that will assist CEOs to understand what communication behavioural attributes are sought by those stakeholders. Based on Ferguson’s (1984) initial paper on organisational-public relationships, Broom, Casey and Ritchey (1997) and Ledingham (2006) presented a framework for assessing relationship antecedents, concepts, and consequences. This framework is used as the basis for the research question and the Research Objectives. Bortree (2011) explicated in a public relations context the three elements of Broom, Casey and Ritchey’s (1997) formula on which the theory of relationship management is based. These are:

3.8.1 Antecedents:

These are the reasons or causes that join parties to a communication nexus, which can be a combination of a wide range of cultural, societal, political, or technological issues, or expectations or perceptions. For the purpose of this thesis, antecedents include the need for an organisational CEO to have the capability of communicating financial, strategic or environmental messages to the media, investors or analyst stakeholders. On the other side of the communication equation, the reason for joining in a communication nexus with a CEO, key external stakeholders require the information from the CEO to make a number of decisions. For investors/analysts this can be buying or selling stock or retaining stock, or making recommendations to clients regarding how they should manage their share portfolios.
The business news media also regularly seek information from a CEO based on regular events (i.e. half-yearly reports), major investment developments, or merger and acquisition activities to create a news story regarding the individual or the organisation’s various financial and non-financial activities.

This thesis adds to the literature on relationship management by testing the Broom, Casey and Ritchey constructs required for effective relationship management. This research sought the views of external stakeholders on what antecedents are required for effective communicative relationships between external stakeholders and a CEO (Bortree, 2011). Hung (2009), and Grunig and Huang (2000) in their discussions on types of organisational-public relationships start with what consequences are being sought by any actor (a CEO in this case) before they enter into a dialogic relationship and what consequences a stakeholder might expect when they interact with that actor (CEO). Therefore the CEO needs to be aware of the perceptions, expectations and any other reason that is driving the initial stages of the relationship. An example would be when a CEO was preparing for a quarterly briefing of analysts and had to decide what communication concepts were needed to ensure their meaning was to be received in the way it was intended (i.e. to communicate the desired vision, one of the behaviours discussed in the previous chapter from the management/leadership literature). Conversely, a senior business media commentator might have indicated to a CEO they would be asking questions about a future investment strategy that requires the CEO to carefully craft a response that meets investment disclosure rules.

The CEO will need to consider being truthful (to enhance their perceived reputation, another behaviour/attribute found from the management/leadership literature review). Having assessed the antecedent elements of relationship management, the core elements of the relational factors required to measure and test communication behaviours/attributes can be tested within the organisational communication-public relations lens. It can be stated that a strategic understanding of the first stages of managing a relationship built on knowing the reasons for that relationship will be a strong start for a CEO communication behavioural attributes framework.
3.8.2 Concepts of relationships:

The elements that comprise the actual relationship, defined by Hon and Grunig (1999) and Hung (2007) are based on either maintenance or cultivation strategies. In regard to a maintenance strategy, in reality this means the practice of CEOs keeping a record of the key external stakeholders they need to stay in regular contact with. This would involve making direct calls to analysts or media when circumstances change, attending annual meetings, and making regular public appearances before various external forums. For maintaining communication with analysts, CEOs need to maintain a regular schedule of asking questions at quarterly intervals. Cultivation strategies would ensure the CEO is visible to journalists at briefings, media conferences or on daily/weekly business television programmes. Hung (2007) quoted Dindia and Canary (1993) on the definitions of relational maintenance (keeping a relationship in existence and in a specified and satisfactory state, condition or repair). As these external relationships are important for a CEO’s and the organisation’s reputation, there is the need to maintain and also cultivate them. Both the CEO and the stakeholders have significant investments in the relationship (for the CEO, the need to be heard without prejudice; for stakeholders to be able to affect an ongoing and satisfactory dialogue). These elements of relationship management were also investigated as part of this thesis research.

From the management/leadership literature, a set of core communication behaviours/attributes have been compiled based on the relational and behavioural interaction between stakeholders and a CEO (Ledingham, 2006). This is to meet the second element of Broom, Casey and Richey (1997), that of concepts of relationships. Maintenance, cultivation and exchange behaviours are needed to meet the criteria for this element. From the interpersonal literature, Capella (1991) and Huston & Robins (1982) posit that relationships require a study of the patterns of message interchange between participants. Wood (1995), when discussing the components of successful interpersonal relationships, identified four dimensions: investment (time, energy and effort put into the relationship); commitment (a decision to continue the relationship); trust (can people rely on each other?); and awareness of relational dialectics (to understand what forces might operate to undermine any relational efforts). Wood also highlighted the components of commitment and trust as key elements from the marketing literature (closely associated to the science of communication) and the public relations field.
Ledingham and Bruning (1998, p.61) clearly demonstrated that “building trust, demonstrating involvement, investment, and commitment, and maintaining open frank communication” had substantial value for an organisation. Grunig, Grunig and Ehling (1992), further support this view, as they stated that quality, long-term relationships with strategic constituencies is a core condition of public communication effectiveness. To further support the construct of communication relationships, Norton (1978), referred to definitions of communicator style and these variables can be linked into the later work by Grunig et al (1992, p.83). Even though Norton’s research was more than a decade earlier, there are strong connections between the concepts he uses and the later researchers. Norton (1978, p. 100) refers to impression leaving (a visible or memorable style of communicating) can also relate to mutual legitimacy (Grunig, 1992, p.83); open (conversational, unsecretive, approachable) is equivalent to openness, (Grunig, 1992); dominant has no matching attribute in the Grunig (1992) listing but attentive (making sure others know that they are being listened to) can also mean credibility (Grunig, 1992, p. 83) and communicator image (a good communicator) relates to trust, reciprocity and credibility (Grunig, 1992, p.83). Ledingham, Bruning, Tomlinson and Lesko (1997) identified commitment, trust, performance satisfaction and interdependence as core to a scale of measuring organisational-public relationships. In a more recent paper, Ledingham (2008) stated that four concepts (trust, satisfaction, commitment and control mutuality) were the most accepted measures of relationships. It can therefore be argued that these dimensions can form the foundation for a model for assessing CEO communication competency.

3.8.3 Consequences:

Consequences are the outcomes of the relational interaction. These consequences which should be measureable will include goals (personally set by the CEO, or set for an analyst by their employer). Measureable elements of consequences as identified by Hon & Grunig (1999) and Huang (2001a, 2001b) were trust, control mutuality (where all parties perceive they hold an equal amount of power), commitment and satisfaction. Kim (2001) in her research used the same items as Hon and Grunig and added reputation as a further relationship measure. The next sections discuss in detail the three Broom, Casey and Richey (1997) relational framework concepts that create the basis for relationship management theory that is the basis of this thesis.
As organisational communication and public relations has moved into the management sphere, the necessity for everyone charged with communication responsibility within organisations must be able to measure, evaluate and account for their decisions. Relationship quality can result in customers remaining loyal; media reports being more positive; investors recommending shareholders to hold onto, or purchase more stock; or governments being more willing to speak to a CEO, for example, because of their high level of credibility. In a study into the hotel industry’s relationship quality, Kim and Cha (2002) studied antecedents and consequences. They found that customer satisfaction had a strong positive relationship with repeat purchase intentions, referrals and customer commitment. This type of outcome can be extrapolated to the CEO’s relationship with key external stakeholders. If senior media commentators have a high degree of trust in a CEO, they are more likely to report favourably on that CEO, therefore the consequences of a CEO’s communication behaviours will be positive. Before any interaction with investors or analysts, a CEO must also understand the type of consequences that might arise from inconsistent comments around strategy, or any substantial deviation from past guidance on the share price. Trust is a core element in the relationship between a CEO and the investment community, and this is supported by the Grunig (1992) elements of trust, reciprocity and credibility as core elements of any relationship.

3.9 The link between theory and the research framework:

Based on the above analysis of what elements of relationship management can provide answers as to what aspects of communication drive stakeholder perceptions of a CEO communication behavioural attributes, the following research parameters were developed:

The research question is: What are the effective behavioural communication attributes of Chief Executive Officers that are sought by the key external stakeholders of investors (shareholders), analysts (those employed by institutions to advise on investment decisions), and the media (financial and business columnists)?

Four Research Objectives were developed based on this research question. If CEO’s were perceived by key stakeholders as effective communicators, it would materially assist the company to have a more favourable reputation among investors, analysts, the media, governments and the community.
This would therefore deliver positive media and analyst reports and maintain the support of shareholders which would enhance theirs and the organisation’s reputation.

**Research Objective #1:** Explore what behavioural communication attributes of a CEO are sought by media stakeholders when forming perceptions about a CEO’s relational capabilities.

**Research Objective #2:** Investigate how the media views a CEO’s communication attributes of, communication skills such as effective listening, openness, trustworthiness, and communicating a vision.

**Research Objective #3:** Investigate the CEO behavioural communication attributes sought by investors and analysts when recommending an organization as a financial investment.

**Research Objective #4:** Explore what behavioural communication attributes of a CEO are sought by investors and analysts when forming perceptions about a CEO’s relational capabilities.

### 3.10 Conclusion:

The literature discussed in this chapter highlighted the theoretical construct of relationship management as the framework that defines the communication behavioural attributes that external stakeholders use when assessing a CEO’s communication effectiveness. The concept of communication as making meaning (Baxter and Babbie, 2004; Macnamara, 2012) applies to CEOs who are the visible leaders and communicators of the organisation's values and business outcomes.

Credibility and understanding the relational and informational dimensions of their task are elements of communication that a CEO needs to be highly aware of (Pincus and Wood, 2006). A CEO, as has been stated earlier in this chapter, needs to be mindful (De Vito, 2013) of their stakeholder's needs and perceptions so they can frame their communication to meet their needs, and also build the outcomes that the CEO desires.

Framing, social capital, leadership communication, and relationship management are examined when seeking appropriate theories to underpin this doctoral thesis. Taylor
(2010) summarises that relational theory is based on an approach where dialogic and two-way communication was the basis of creating, implementing, managing and evaluating relationships between key stakeholders and the organisation’s CEO.

The model of relationship antecedents, concepts and consequences discussed above is presented as the basis for understanding, explicating, and evaluating the core competencies on which a CEO’s communication behavioural attributes can be measured.

Although a wide range of literature from management, leadership, organisational communication and public relations were assessed for the research for this thesis, it was rare to find management writers discuss relationships. Heffernan, O’Neill, Travaglione and Droulers (2008) have analysed this aspect of communication in the context of the banking sector and I argue that their comments can be generalised across the whole business sector. Their research (Heffernan et al, 2008) states that strong relationship outcomes include increased profit through reduced risk, new product success, improved communication linkages, business referrals, and more loyal customers. “Probably the most researched component of successful relationships is the development of trust,” (Morgan and Hunt, 1994, p.184). Heffernan et al (2008), also argue that trust is a critical variable for the success of relationships in organisational settings.
Chapter 4: Research Methodology and methods:

4.1 Introduction:

This doctoral thesis is grounded in the social sciences and the field of communication and the disciplines of organisational communication and public relations practice. It examines the communication behavioural attributes (sought by key external stakeholders when assessing the communication competency of a CEO to assist with their analysis of how the CEO manages theirs and their organisation’s reputation). An outcome of this thesis research is that it will provide new and valuable information for executive search companies and boards, as well as business school curriculum developers when seeking to assess what communication attributes are required by a CEO when dealing with external stakeholders. It is also argued that the outcomes will contribute to organisational efficiency through presenting a matrix of academically identified communication behavioural attributes that can be utilised to test overall communication competency for prospective CEOs and CEO candidates and which also can be used in executive developmental training courses. This chapter outlines the methods chosen for the research design, and the linking of the findings from the literature review with concrete research strategies and methods developed to collect the data (primarily soft data, Neuman, 2000).

4.2 Approach to ethical research:

As a public relations practitioner with close to 30 years’ experience from middle to senior management positions, and a member of the Public Relations Institute of Australia for over 20 years, the researcher must abide by its Code of Ethics (http://www.pria.com.au/membercentre/code-of-ethics). Also many of the organisations the researcher worked with, particularly American Express, AMP, Central Queensland University and Charles Sturt University, have all had personal codes of ethics for employees.
“Ethical research depends on the integrity of the individual researcher and his or her values,” Neuman (2000, p.90). The researcher when starting on the journey of this doctoral thesis, considered where the ethical pitfalls might be during the research phase.

Initially interviews were proposed with a limited number of CEOs, and not only would this require the utmost confidentiality but also robust measures to ensure any responses from any CEO could not be identified. When these interviews were not possible, steps were taken to interview a number of senior business media commentators. Their identity needed to be protected, and apart from them signing consent forms before the interview, there was no means of linking their responses to the individuals due to a coding system that only the researcher held, in a locked drawer in the office. The quantitative research was carried out by an external market research company that regularly surveyed one of the key stakeholder groups (investors and analysts). This company agreed to distribute the survey, consolidate the responses and provide them to the researcher with no means of identifying who the respondents were. Assurances were provided that the questions were distributed to the most senior investors and analysts in Australia and represented over 60% of the industry.

At all times all elements of this doctoral research have been supervised by the Charles Sturt University Office of Academic Governance, Human Research Ethics Committee, and when changes to the protocols were required, variances were submitted and approved by the Committee (Appendix Four and Five).

The National Statement on Ethical Conduct in Research, 2007, requires researchers to be bound by integrity, respect for persons, beneficence and justice. The researcher did at all times, when circumstances changed sought new approvals from the Charles Sturt Human Research Ethics Committee. To further meet the requirements of the National Statement, the consent of all participants has been obtained, either in writing (senior business media commentators) or by agreeing to complete a questionnaire (investors/analysts). The written consent forms are stored in a locked drawer in the office of the researcher and in accordance with CSU protocols will be held in the drawer for 10 years. The first application to the HREC was made for approval to initially interview CEOs (Protocol number: 2010/067). A variation was requested and approved to interview selected senior business media commentators in 2011 when it became apparent that appointments with CEOs were going to be very difficult to obtain. As a requirement of the ethics approval it was agreed
not to personally identify any of the senior business media commentators in their responses (all the transcripts have a letter/number that references the individual journalist). In 2012 a further variation was requested, and approved to administer a questionnaire to a number of investors and analysts. At all times CSU ethical protocols were followed.

4.3 Interpretive framework and constructivist paradigm:

4.3.1 Ontology:

The research design reflects on the ontology (the essence) of the relationship between the diverse stakeholder groups being researched and the researcher, and therefore a qualitative approach within an interpretive framework was considered the most appropriate. It is argued that hermeneutics also applies as a methodology. Hermeneutics is about interpreting and explaining meaning in communication. The researcher attempts to read texts and focus “on the process by which the meanings of organizational events are sustained and produced through communication,” (Deetz, 1982, p.32). Qualitative research is designed to assist researchers to understand people and the social and cultural contexts within which they live (Myers, 1997). As has been stated in earlier chapters, managing meanings is one of the communication behavioural attributes CEOs must have. When researchers need to describe and understand some of the intangibles that comprise the communication behavioural attributes, they need to interrogate the fields of managerial, leadership and organisational communication. “Humans are accountable for their actions to others in their shared social world, and they make sense (to others and themselves) on the basis of their capacity to render their actions intelligible,” wrote Baxter and Babbie (2004, p.59).

Daymon and Holloway (2011, p.6) two communication/public relations scholars, supported this view, “Interpretive researchers are concerned primarily with reaching understanding about how meaning is constructed and re-constructed through communication relationships which they study in their 'natural' or 'local' setting.” Weber (1981) as reported by Neuman (2000, p.70) argued that social science needed to study social action with a purpose. Lindlof and Taylor (2002, p.7) have also written that the communication discipline’s commitment is to study human symbolic action across a range of contexts, and communicative performance involves the “nature of reality (ontology) and how that reality
may be known (epistemology).” Lindlof and Taylor (2002) further report that academic inquiry should use interviews, artefact analysis and surveys to focus on communication practices. The researcher for this thesis, having come into academia from senior management positions in the public relations field, takes a pragmatic position on the research question in that it is principally based on concepts of social reality and will contribute to professional practice and academic knowledge.

Taking an ontological view (studying the category of chief executive officers and their capabilities as communicators) the CEO is the embodiment of the organisation and the guardian of its reputation and therefore needs to have a high level awareness of their possible impact on key external stakeholders as a consequence of their communication competency. As the purpose of any communication from a CEO is to build on, or cement a relationship with key external stakeholders, then the CEO needs to be very mindful about the meaning of their communication. CEOs also need to be aware of which stakeholder group they are communicating with, such as the media, to ensure what information they are conveying is going to be re-constructed by the media with the meaning intended by the CEO. To ascertain what behavioural communication attributes are required to fulfil the vital communicative tasks required of a CEO, an interpretive paradigm will assist in socially constructing the world of the CEO and informing society how CEOs interact with their stakeholders and make meaning from these communication relationships (Daymon and Holloway, 2011). As organisational communication is one of the foundations for this thesis, it is further supported by the research of Shockley-Zalabak (2002, p.52) whose discussion of a meaning-centered approach in relation to organisational communication states that organisational reality is generated through human interaction.

This thesis concerns how all parties view reality, and the assumption is that this investigation is based on a paradigm of multiple realities, “a basic belief system or world view that guides the investigation,” Guba and Lincoln (1994, p.105) and (Krauss, 2005). Multiple realities being investigated involve how external stakeholders perceive the CEO as an organisational leader and bring their experiences in dealing with CEOs to the data collection process; the investors and analysts who are driven by financial imperatives but who also need to factor in the role of the CEO when analysing how an organisation and its CEO might be performing; and the media, who are constantly seeking for signs of distress or miscommunication to help them with generating interest in their writing.
A paradigm (Taylor, Kermode and Roberts, 2007, p. 5) is a “broad view or perspective of something.” The interpretive paradigm, based on qualitative research, is about multiple realities and Gioia and Pitre (1990, p. 588) argue that an interpretive paradigm is to generate “descriptions, insights, and explanations of events so that the system of interpretations and meaning, and the structuring and organizing processes, are revealed.”

Therefore each person included in this study (media, investors and analysts and indirectly, CEOs) bring their own cognitive meaning to the researcher’s attention through the researcher’s reading and analysis of the data collected from a wide range of sources.

A positivist view (Krauss, 2005) is not possible for this research due to the data not being value-free and because meanings are very difficult to quantify and measure. To research the social world requires a different approach to that of the physical world (Williams and May, 1996). It is not possible to lay down any specific law from this research that states that if a CEO follows certain steps, then the same outcomes will occur every time. That is humanly impossible as every communication act is in a different context, and therefore only certain behaviours can be demonstrated as being appropriate (but they are in most cases replicable, measureable and generalisable). All the researcher for this thesis can do is use a theoretical paradigm that seeks to find perceptions about the phenomena being studied. Krauss (2005, p.762) states that the “most fundamental aspect of a human social setting is that of meanings. These are the linguistic categories that make up a participant’s view of reality and with which actions are defined.” Krauss quotes Lofland and Lofland (1996) regarding meanings being more than descriptive and that they also “define, justify, and otherwise interpret,” (p. 762) as well. Therefore when seeking what meanings might have attributed to a CEO’s communication abilities, the researcher seeks and relies on their own words (extracted from the data) and when seeking how senior business media commentators perceive CEOs, the researcher speaks with them and asks questions and the responses are then analysed by the researcher, who attempts to categorise the answers in terms of the communication behavioural attributes extracted from earlier studies and data.

4.3.2 Qualitative research:

As this research is dealing with perceptions and the making of meaning, the only choice for ascertaining the views of stakeholders was qualitative research. This form of
research “has the unique goal of facilitating the meaning-making process” (Krauss, 2005, p.763). This approach is supported by Gioia and Pitre (1990, p. 588) who take the line that theory building in the interpretive paradigm is based on a view that people “socially and symbolically construct and sustain their own organizational realities”.

Understanding the very complex world of human interaction is a daunting and challenging task. The researcher entered this environment with no preconceived notions of what the outcome might be, nor what theories might apply to the concepts that were under review. There was an understanding of the contemporary environment for external stakeholders when assessing what might be the communication behavioural attributes of a CEO. Initial concepts of what theories might apply to leadership communication were extracted from the literature (Chapter Two) and these were grouped into categories for further examination. Managerial, leadership and organisational communication theories were then studied for their relevance to the concepts extracted from the literature. Based on the researcher’s own background in business and academic study, it was decided that the theoretical basis for this doctoral thesis should be centered on concepts of organisational communication and public relations.


“It is surprising that despite the obviously strong connection between leadership and communication the scientific study of organizational leadership has more or less by-passed the topic of communication. We take it for granted that leaders have to be good communicators, and go on to study other aspects of the phenomenon.”

CEOs should understand what behaviours/attributes are assessed by external stakeholders so they can build an effective communicative relationship with these external stakeholders. This chapter initially reviews the core elements of what comprises communication and making meaning and then places communication as a central core of a theoretical construct on which to base a CEO communication behavioural attributes framework. Early communication researchers such as Berger and Chafee (1987, p.17) made the point that communication involves understanding “the production, processing and effects of symbol and signal systems by developing testable theories, containing lawful generalizations, that explain phenomena associated with production, processing and effects.” Hewes and Planalp (1987, p.148) presented a view that the fundamental
behavioural attributes of communication were *impact* (does communicative behaviour affect another’s subsequent behaviour), and *intersubjectivity* (where knowledge is shared in a social interaction based on common experience).

These properties need to be understood by a CEO when making decisions about to manage their communication as they need to make an impact when seeking to engage with analysts or investors either as individuals or a group, or a senior business media commentator.

A further element that was considered in this theoretical review was the concept of persuasion. Does a CEO need to understand the basis of this element? Bettinghaus and Cody (1987) link persuasion with source credibility, as do McCracken (1989) and Davies and Mian (2010). Bettinghaus and Cody (1987) refer to credibility as a perception which every communicator needs to be aware of. Managing perceptions is another communication behaviour that every CEO needs to be aware of. Bettinghaus and Cody further stated that receivers of communication can rank the source credibility of a sender and unless the perception of credibility is strongly held by the receiver, then any attempts at persuasion will fail. Other variables that determine credibility are trustworthiness and competence (Morrow, 2005) and these are reinforced as being necessary elements of how a CEO’s communication skill set is evaluated by external stakeholders. The outcome of this analysis is that while persuasion might be a useful communication attribute, other components need to be present (trustworthiness and credibility) before any attempts can be made by a CEO to successfully persuade key stakeholders of any views or actions the CEO might want them to take. These elements have been tested in the quantitative element of the research for this thesis.

**4.3.3 Shared realities:**

The construction of shared realities is a communicative process. CEOs represent their organisation and are viewed by all key external stakeholders as the creator of meaning when it comes to making public pronouncements about all aspects of their stewardship. There is a substantial body of research in the internal/staff communication literature (Nelson and Coxhead, 1998; Welch and Jackson, 2007) that states that effective internal communication is a key driver of organisational efficiency, and results in higher levels of staff commitment, employee satisfaction, and productivity. It is argued therefore,
that, using the same basic communication construct, a stakeholder analysis based on two-way symmetrical, dialogic and relationship principles should also be valid with key external stakeholders.

Denzin and Lincoln (2013, p.43) state that there is, “no such thing as value-free inquiry.” Therefore the methodology chosen for this thesis utilises a range of processes that are designed to be transparent, and also substantially reduce the potential for any individual biases to distort the findings. That is, it focuses “on the process by which the meanings of organizational events are sustained and produced through communication,” (Deetz, 1982, p.132). Denzin and Lincoln (2013) argued that an interpretive/constructivist approach be taken for a scientific examination of the context in which communication takes place. This allowed for a practical orientation of multiple realities to be considered, such as the views of various stakeholders, when researching communication behavioural attributes. Qualitative research is a core social science methodology and according to Ospina (2004) it is systematic and follows rules agreed by the qualitative research community. It is also empirical (grounded in the world of experience) and it is a means of assisting researchers to understand how stakeholders make sense of their experience. Quantitative research can be used to complete the methodological process through taking the outcomes from the empirical, qualitative research to develop a substantive and valid model that could be tested in the field.

4.4 Methods:

The purpose of this research was to test the various aspects of relationship management theory with external stakeholders and construct a framework that can be tested for validity and reliability. Relational presuppositions act as a framing mechanism for theory building and practice (Ledingham, 2003). The research process commenced with a detailed thematic and content analysis of a range of texts. In summary, there were books and journal articles from the fields of leadership, management, organisational communication and public relations where the search was on all references to leadership communication, CEO communication, and potential theories that might underpin the research question. This was followed by a search of as many newspaper and magazine articles, radio and television news and current affairs transcripts, and public speeches as could be found over five years about each of the CEOs identified as being effective communicators (Appendix Five). From this data a list of communication behavioural
The attributes of leaders was collated. But no evidence was found of what external stakeholders were seeking in their relationship with CEOs.

The next step was to utilise a further qualitative method and select an appropriate theoretical model that would provide a valid and empirical foundation for the thesis. "Models are an illustration of theories in action," Ledingham (2003, p.186). Chapter Three details the result of this search where Broom, Casey and Ritchey's (2000) theory building was confirmed as the framework for analysing all the elements from the literature to test which behavioural attributes were perceived by external stakeholders as being convincing relational elements (Broom and Dozier, 2000). To link the attributes found from the literature, a series of questions for senior business media commentators were developed. The transcripts of these interviews were then analysed and coded to find key words and phrases that were synonymous with those found from the earlier content analysis of the literature.

Following the collection of the media interview data, a set of questions were developed for potential use by investors and analysts to find their views on the attributes already identified and to have then rank the attributes that they believed were key to how they formed their perceptions of CEOs communication competency. The following sections provide academic reasons for selecting the methods for research.

4.4.1 Thematic and content analysis:

Boje (2001, p. 122) states “theme analysis is a respected and well-established and widely used method of qualitative analysis.” An initial ethnographic deductive approach with the academic writings on leadership, management, organisational communication and public relations was taken in which any words or phrases that referred to leadership communication were listed (see the discussion in Chapter Two). This method is also supported by Joffe and Yardley (2004, p.56), “Content analysis is the accepted method of investigating texts, particularly in mass communications research. Most content analysis results in a numerical description of features of a given text, or series of images. What is coded depends on the purpose of the study.” The same authors write at p.57, “Thematic analysis is similar to content analysis, but pays greater attention to the qualitative aspects of the material analysed.” And, “Content analysis involves establishing categories and then counting the number of instances in which they are used in a text or image. It is a partially
quantitative method, which determines the frequencies of the occurrence of particular categories,” and they state that thematic and content analysis are very similar in their principles, with a theme being a “specific pattern found in the data in which one is interested” and inductive coding being where a theme is drawn from the raw information.

Alhojailan’s (2012, p. 40) review of thematic analysis said it is considered “the most appropriate study that seeks to discover interpretations” and allows the researcher to “associate an analysis of the frequency of a theme with the whole content” and will “confer accuracy and intricacy and enhance the research’s whole meaning” and provide the opportunity to understand an issue more widely. The reproducible coding instructions used in this doctoral thesis (Krippendorff, 2009, p. 351) can be replicated by another researcher reading through all the texts and articles mentioned in Chapters One, Two and Three. Basing their coding on the key words, “CEO communication”; “leadership communication,” “CEO communication behavioural attributed,” and “the CEO as Chief Communication Officer,” they would be able to replicate the findings and present a similar list of core communication behavioural attributes. It is of interest that there were no specific references to actual CEO behavioural communication attributes from this first content analysis, just a series of generic attributes (dialogue, listening, and openness/honesty/trustworthiness, managing relationships and communicating a vision).

Using Boje’s terminology, an emic approach (2001, p.123) takes themes and “develops them with professional sensitivity” and seeks out abstract patterns that ground the narrative in the context of the research question being investigated. The point here is that from the qualitative literature review, a series of behavioural communication attributes were assembled. Every effort was made to obtain corroborating evidence from a range of sources that will validate the conclusions delivered in Chapter Seven. An applied qualitative research approach has been primarily taken (Neuman, 2000), and the researcher argues for an interpretive approach (Schwandt, 2001; Alvermann and Mallozzi, 2010). Understanding meaning-making through interpreting communication in the context of the relationships between CEOs and the key stakeholders of media, investors and analysts and also measuring the relationship management theoretical variables would contribute to the researcher gaining a deeper understanding of the communication issues involved in answering the research question. Further secondary data was collected through researching which CEOs had been identified by their peers and the business media (print and electronic) as being effective communicators. It was then planned to
interview at least 14 CEOs and the necessary ethical approvals were obtained for this purpose.

However, as was stated earlier, to achieve this outcome proved very difficult so an alternative was to move to an external method and collect primary data though interviews with eight senior business media commentators who regularly spoke with a wide range of CEOs and who over time would have formed some impressions of them.

The case study into the CEO of James Hardie Industries (Appendix One) and which is discussed in depth in Chapter Two was an initial marker with a detailed academic analysis of what communication behavioural attributes were found by external, independent reviews to be unacceptable.

4.4.2 Qualitative research

A substantial proportion of the initial research involved an extensive review of the management/leadership and communication literature as the first steps to seek if the research question had any validity. This also involved collecting books and journal articles on the topics of leadership communication and communication science as it applied to the topic. There was a large volume of anecdotal information but very little academic research on the topic of a CEO and communication as a behavioural competency. A search of Google Scholar on the topic of Chief Executive Officer communication competency did not return any specific research on the topic being investigated for this thesis. Specifically, this doctoral research studies the symmetrical link between what communication behavioural attributes CEOs require when they are dealing with key external stakeholders and the perceptions of those stakeholders in regard to the CEO as a competent communicator. Symmetrical communication says Grunig, J., (1992, p. 16), “is characterized by a willingness of an organization to listen and respond to the concerns and interests of its key stakeholders. Excellent organizations ‘stay close’ to their customers, employees, and other strategic constituencies.”

Therefore this research needed to isolate and identify which behaviours/attributes are core to the development, management and continuation of relationships between the CEO (representing the organisation) and key stakeholders. The relationship management
This paradigm has only been studied by communication scholars since 1987 and has been primarily in the holistic organisation-public context.

This thesis takes one specific and important component of that context, that of the communication competencies of a CEO when dealing with key external stakeholders and locates it within the relationship management theoretical construct.

4.4.3 Outcomes of JHI coding:

The content analysis of the transcript of the Report of the Special Commission of Inquiry into the Medical Research and Compensation Foundation (D.F.Jackson, Q.C, September, 2004) and a book by Haigh, G. (2006) highlighted the following communication points about the communication competency of the CEO which are based on the attributes that were sourced from the literature review (Chapter Two):

a) There were no references to dialogue (in either the thematic analysis or the content analysis), but there were 11 references to “closed” communication behaviour, such as “resisted communication attempts,” (Commission, 2004, p.482); “very insular” Haigh (2006, p.281); “he had a flair for secrecy”, Haigh (2005, p.208); “oyster-like on matters of corporate deliberation” Haigh (2005, p.345) and “no communication with Medical Research and Compensation Foundation for now,” (Commission, 2004, p.519).

b) There were no references to listening or trust as identified in the thematic analysis of the literature, but the content analysis identified seven instances of behaviours which could be labelled as obfuscatory, and five, which were ambiguous. Neither of these is conducive to effective communication (Mohan et al, 2004).

c) There were 11 references to dishonest behaviour and 11 separate references to deceptive behaviour. Examples were: “breached their duties as officers of JHI,” (Commission, (2004, p.420); “false in material particulars and materially misleading” Haigh (2006, p.363).

d) There were three references to weak behaviours and none to strong leadership characteristics.

e) In respect to relationship management, the only reference is a negative one in Haigh’s (2006, p.328) book where the author states that Macdonald was “oblivious to the potentialities of public opinion.”
Joffe and Yardley (2004, p.56) argue that this systematic method “permits the researcher to combine analysis of the frequency of the codes with analysis of their meaning in context, this adding the advantages of a subtlety and complexity of a truly qualitative analysis.” The next step was to search for CEOs who were identified as having positive communicative attributes from a wide range of sources (daily news and business print media, business online news sources, television business news channels, and specialised business media publications, Appendix Five).

4.4.4 Identification of CEOs considered to be effective:

From the earlier research a number of CEOs were identified who had received accolades for their communication skills from peer organisations, and also from positive media reports (Appendix Five). The researcher considered that the most effective means of acquiring knowledge of how CEO communication was created, sustained and communicated would be to interview a number of those CEOs. The researcher assumed from the start that getting to speak to CEOs regarding their personal perspective on their communication competency might be problematic (very busy people with multiple tasks). Letters of request were sent to 12 CEOs and follow up telephone calls made to their personal/executive assistants and two initially responded positively but it was not possible to confirm any appointments with any of them. A detailed examination of these CEOs and their public comments that are based on the communication behavioural attributes identified from the research then followed. The purpose of this confirmatory analysis was to demonstrate that the communication behavioural attributes identified from the earlier research could be linked independently to CEO statements to demonstrate they understood that communication was a core component of their position.

The words and phrases of those CEOs identified from the media interviews and public content analysis were listed against the themes captured from the literature review and the James Hardie Industries case study. CEO public statements were sought from a wide range of public forums to find any references to communication. The sources are reputable business media commentators, speeches at a variety of public forums, annual reports, and investor and analyst briefings. These findings were then correlated against in-depth interviews with senior business media commentators (an independent variable) and many of the earlier identified behavioural communication attributes were replicated from the analysis of the media interview transcripts.
Key phrases and words from the CEOs concerning external stakeholders were: Having a strategy and sticking to it, and also having a vision; trustworthiness; having clear communication with investors; being open and communicating; being collaborative; listening; and transparency.

4.5 Quantitative research:

After analysing the requirements for a qualitative approach to finding the answers to the research question, it became apparent that a further research methodology was going to be needed to test the patterns of behaviours/attributes identified from the earlier quantitative research. The two methods are complementary according to DeCoster and Lichtenstein (2007, p. 227):

“In that qualitative data analysis provides descriptions of the phenomenon from the perspective of the participants, whereas quantitative data analysis provides evidence to support or disconfirm theories of the phenomenon developed by the researchers.”

As stated by DeCoster and Lichtenstein (2007) a quantitative methodology can determine the relations between the measured variables that comprise the theory being investigated. Another point about quantitative research is that it provides replicable evidence that other researchers can test. The value of research that relates to other research was affirmed by Benoit and Holbert (2008, p.615) as it provided “greater breadth and depth to our understanding.” They also affirmed the role of research that “systematically investigates an aspect of communication with a series of related studies conducted across contexts or with multiple methods.”

In the case of this thesis, a very simple approach was taken to collect data from one of the key external stakeholders (the investor and analyst grouping). This process commenced from the qualitative data and a series of questions were developed that would be distributed to a selected database of senior business analysts and investors to ascertain their responses to issues such as how important a CEO’s communication is to them when making investment decisions. The relationship between a CEO’s communication and reputation was also tested in the survey. It is argued that by including the data from a quantitative analysis of the relationships between CEOs and the investor/analyst key stakeholder group, relationship management theory has a new measure for testing how a CEO’s communication competency drives perceptions of key external stakeholders.
Organisational communication has “imprecise parameters” state Downs, DeWine and Greenbaum (1994), and the field also covers the disciplines of business, psychology, sociology, education, health science, journalism and political science and other aspects of communication, such as interpersonal communication. These authors made a comprehensive review of communication process instruments which analysed aspects of organisational conflict, team building, group inputs (i.e. an interpersonal trust scale), behaviours, mentoring, competence, style and leadership. For the research for this thesis, the instruments on competence were more closely assessed, as all the other methods dealt with internal communication issues, not external communication competencies. Downs et al (1994) found that “Communication competence has been examined mainly as an interpersonal construct” (p. 66).

The research for this thesis breaks new ground in that it seeks to determine the communication competencies of CEOs when dealing with their key external stakeholders. A number of communicator competence instruments were found, Wiemann (1977, Communicative Competence Scale); Monge, Backman, Dillard and Eisenberg (1982, Communicator Competence Questionnaire), and Norton (1978, Communicator Style Measure). These research papers dealt only with internal stakeholders.

As has been stated, all these instruments dealt with interpersonal communication within organisations and therefore were not directly relevant to the competencies required for communication interactions between a CEO and key external stakeholders. However, Flauto (1999) does make the strong point that there a link between leadership and communication based on his studies of a leader’s communication competence with employees. Flauto supports the work of McCroskey (1982a) that communication can be measured from a behavioural perspective. The type of questions required for the above communication competency tests could not be replicated for the purposes of this research thesis, so a new set of questions had to be created and tested before they were provided to the external stakeholders.

4.6 A mixed-methods approach:

After assessing the above two specific types of research, a decision was made to take a mixed-methods approach to answering the research question. A number of
academic papers on the topic of mixed methods research were reviewed. Johnson, Onwuegbuzie, and Turner (2007, p.113) stated:

“Mixed methods research is, generally speaking, an approach to knowledge (theory and practice) that attempts to consider multiple viewpoints, perspectives, positions, and standpoints (always including the standpoints of qualitative and quantitative research)."

“As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies,” (Creswell, 2013, p.105).

This thesis therefore closely follows Creswell’s (2009, p.106) mixed method which comprises a rigorous collection and analysis of both qualitative and quantitative data based on the research question, where the two forms of data are integrated. In Chapters One and Two the need for a cross-disciplinary research approach is argued, and this has required non-traditional methods (i.e. not just qualitative research) to find the answer to the research question. Johnson, Onwuegbuzie and Turner (2007, p.113) refer to the primary philosophy of mixed research as being pragmatic. They make the point that “Mixed methods research is, generally speaking, an approach to knowledge (theory and practice) that attempts to consider multiple viewpoints, perspectives, positions and standpoints (always including the standpoints of qualitative and quantitative research).” They also define mixed methods research (p.129) as an intellectual “and practical synthesis based on qualitative and quantitative research.” As the importance of both these traditional forms of research are recognised, mixed methods research “offers a powerful third paradigm choice that often will provide the most informative, complete, balanced, and useful results.”

From the qualitative literature review the viewpoints of a wide range of eminent business, management and leadership scholars were analysed, as was the scholarly literature from the organisational communication and public relations fields. Transcripts of reports of selected CEOs were also assessed and published interviews of these selected leaders were also interrogated.

From this data, depth interviews were arranged with a selected group of senior business media commentators who regularly deal with CEOs. The next phase was a quantitative survey of 30 analysts and investors (who represented more than 60% of this stakeholder group) with the questions being derived from the data that were outcomes from the qualitative research. To conclude, all the outcomes were triangulated (Campbell and
Fiske, 1959) and the results were found to answer the research question and affirm the Research Objectives.

This thesis is a single study framed “within philosophical worldviews and a theoretical lens.” (Creswell, 2011, p.271). This description fitted the direction that this doctoral research had taken and the researcher proceeded to review all aspects of qualitative, quantitative and mixed methods methodologies. Qualitative research is not static (Daymon and Holloway, 2011, p.8) and over the period of time of constructing this thesis, a number of method changes were made to accommodate new, unplanned for circumstances.

A further core aspect of mixed methods research is the concept of triangulation and Denzin (1978) referred to four types of triangulation, of which three are relevant to this doctoral study. They are data triangulation (where a variety of sources are utilised), theory triangulation (the use of multiple perspectives) and methodological triangulation (multiple methods to study a research question). The benefits of this, state Johnson, Onwuegbuzie, and Turner (2007, p115) quoting Jick (1979), is thicker and richer data, allowing researchers to be confident of the results.

4.7 Reviewing the field of symmetrical communication:

As has been discussed earlier, a substantial proportion of the initial research involved an extensive review of the management/leadership and communication literature as the first steps to seek if the research question had any validity. Specifically, this doctoral research studies the symmetrical link between what communication behavioural attributes CEOs require when they are dealing with key external stakeholders and the perceptions of those stakeholders in regard to the CEO as a competent communicator.

Therefore this research needed to isolate and identify which behaviours/attributes are core to the development, management and continuation of relationships between the CEO (representing the organisation) and key stakeholders.

The relationship management paradigm has only been studied by communication scholars since 1987 and has been primarily in the holistic organisation-public context. This thesis takes one specific and important component of that context, that of the communication competencies of a CEO when dealing with key external stakeholders and locates it within the relationship management theoretical construct.
4.8 Summary of research methods:

After finding the core communication behavioural attributes from the literature, the researcher then took a series of qualitative and quantitative steps to test their reliability and validity. The chart below summarises the methods utilised to gather data to answer the research question:

<table>
<thead>
<tr>
<th>Step One: Qualitative: finding senior management communication competencies by extensive reading of management and communication journal articles and texts. This information was used to write Chapter Two, the literature review, and these findings led to the decision on what should be the theoretical foundation for the thesis.</th>
</tr>
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<tbody>
<tr>
<td>Step Two: Qualitative: a case study of incompetent CEO communication stood out (James Hardie Industries and attempts by its CEO to circumvent its legal responsibilities and the very poor communicative behaviours exhibited by the CEO). Using the findings from Step One, a paper (Alexander, 2006) was researched, written, peer reviewed and accepted for the 2006 Australian New Zealand Communication Association conference (Adelaide). This paper detailed a series of positive and negative communication behaviours that would determine the overall communication competency of a CEO when dealing with key external stakeholders.</td>
</tr>
<tr>
<td>Step Three: Qualitative: This step, between 2006 and 2011, was where the researcher sought the names of CEOs who had been described as having effective communication competencies through reading media reports and transcripts, watching business interviews, and reading through the journals of the various professional bodies. From this research the researcher developed a listing of more than 20 CEOs who had been regularly described as being effective communicators; these CEOs were then regularly tracked for any references to them until late 2012. Many interviews, speeches and commentaries were also found and analysed for any references to communication and a listing developed of key words (see Chapter Five).</td>
</tr>
</tbody>
</table>
**Step Four:** Qualitative: In 2007, a paper was researched and written on the progress of the research to date and posited the communication behavioural attributes required by CEOs drawn from the literature review and content analysis of the media coverage. This paper was accepted by, and presented at the International Bledcom International Public Relations Symposium in Bled, Slovenia (Alexander, 2007).

**Step Five:** Qualitative: A set of questions for CEOs was developed in 2010 and approved by the CSU HREC. The researcher wrote to 15 CEOs from the list described in Step Three, requesting interviews, and these were followed up with phone calls and while there were some positive signs initially, eventually none of the CEOs were available due to work pressures, travel and board meetings.

**Step Six:** To further develop the model, a paper was written and accepted for presentation to the 2011 Australia New Zealand Communication Association annual conference at the University of Waikato, (Alexander, 2011). At this university a number of internationally published organisational communication and public relations scholars are employed and the researcher received positive feedback from three of them in informal discussions following the presentation of the paper.

**Step Seven:** Qualitative, depth interviews: As senior business media commentators spend a lot of time listening to, researching and writing about companies and CEOs, and as a result of the researcher still having good relationships with many of them, a series of questions were developed to ascertain their perceptions of what they understood to be effective communication attributes for CEOs. Eight of these commentators were interviewed in depth in late 2011 and early 2102; the interviews were transcribed and coded by the researcher (seeking matches with the key words that had come from the literature review and CEO statements).
**Step Eight:** Quantitative: Following on from the media interviews the researcher considered that investors and analysts as key external stakeholders would have strong perceptions about CEOs, as they regularly listen to them and get to ask questions at various briefings held by organisations to meet regulatory requirements. In association with one of the supervisory team a quantitative questionnaire was developed in mid-2012 to test the validity of the attributes that had been found from all the previous research outcomes. This questionnaire was administered in late 2012 and early 2013. An Excel spreadsheet was drawn up and the data entered for analysis. This analysis was done in March and April 2013, and the results are included in Chapters Five and Six.

**Step Nine:** Triangulation: Denzin (2012, p.82) states the use of multiple methods or triangulation reflects an attempt to secure an in-depth understanding of the phenomenon in question. The combination of various methods “is best understood as a strategy that adds rigour, breadth complexity, richness, and depth to any inquiry.” By examining all the data from all the sources, a correlation started to be evident that linked the attributes from the initial literature review with the words of the CEOs and also with the key phrases used by the senior business media commentators. The final quantitative research rank ordered those communication attributes and also confirmed the importance of CEO communication to perceptions of reputation of the CEO and the organisation they are responsible for.

### 4.9 Conclusion:

Taking Littlejohn’s (1983) analysis of theory building, this research clarifies the communication behavioural attributes that CEOs need when dealing with key external stakeholders (media, investors and analysts) as it specifies the types of relationships required to meet the requirements of all parties to the relationship. Observations of CEO communication competency is possible through reading business news and watching interviews on television, or public presentations, and through analysing the language used and watching their responses to questions being asked of them by media representatives or other interactants in a public forum.
The research is replicable in that the questionnaire developed specifically for this thesis can be used with other key external stakeholders (suppliers, governments, communities and also activists) to test their understanding of the behaviours/attributes of any CEO’s they deal with. As well, the results provide opportunities for the presentation of the findings in academic journals and also to the business community to raise awareness of the need for a greater awareness of the value of communication as a core leadership behavioural attribute. This chapter has discussed the ethical underpinning of this doctoral thesis and a discussion on the use of a constructivist interpretive approach to find what communication behaviours/attributes were required by a leader (CEO) when attempting to construct a meaningful communication relationship with key external stakeholders. This required a qualitative approach to the research. The next step was to introduce a quantitative survey to the process so that the views of one of the external stakeholders could be ascertained. The final step was a mixed-methods approach which required a triangulation of both sets of data.

The following chapter provides a detailed analysis of the outcomes of the research process and the foundation for constructing a CEO communication competency model that can be used in future CEO selection processes.
Chapter 5: Data analysis and findings:

5.1 Introduction:

This chapter collates and coordinates all the data from Chapters Two, Three and, Four to answer the research question and identify the communication behaviours and attributes that external stakeholders are seeking when making decisions about the communication effectiveness of a CEO. The core themes identified from the earlier chapters will be the platform for a synthesis of the behaviours/attributes required to create an overall competency framework. The data generated for this chapter is primarily qualitative, with a quantitative survey to test the qualitative outcomes with a key external stakeholder group.

The researcher of this thesis can be as described by Denzin and Lincoln (2013, pp. 7-8) as an interpretive bricoleur, where a bricolage is “a pieced-together set of representations that are fitted to the specifics of a complex situation.” The researcher has used methods from the disciplines of organisational communication and public relations to interrogate the research question. It is multi-method with content analysis, depth interviews and a substantial reflection on the concepts being examined, such as constructivism, where experience is subjectively interpreted (Macnamara, 2012). This process was completed by a mixed methods study (Clark, Creswell, Green and Shope, 2008, p.364), “a design for collecting, analysing, and mixing both quantitative and qualitative data in a study in order to understand a research problem.” The data is finally triangulated, an alternative to validation state Denzin and Lincoln (2013) which is a strategy that “adds rigor, breadth, complexity, richness and depth to any inquiry (p.10).”

5.2 The research process:

The first stage of this research inquiry commenced in 2005; this was to complete a literature review over the following two years to systematically and objectively seek out all references to the concepts of “Chief Executive Officers”, “communication” and “leadership communication” from as many academic and non-academic sources as possible.
This method is explained in depth in Chapter Four, and involved management and leadership books and blogs and media (print and electronic) sources, as well as academic journals from the management, leadership, and organisational communication and public relations disciplines. From this analysis, which involved counting of how often certain words or themes occurred, a number of primary communication behaviours/attributes were identified. They were all generic, and not the subject of academic investigation. It is worth noting here that over the past five years when using a search engine to find anything written about CEO communication competency, the only findings have been the researcher’s 2006 and 2007 published conference papers. A next step was to analyse the writings of Bolman and Deal (1997) on the topic of organisational reframing, and the outcomes of this research is discussed in Chapter Two. A thematic analysis (Aronson, 1994) of all the texts collected was then completed. The outcome was a refereed paper that was presented at an international communication conference in 2006 (Alexander, 2006). Further fieldwork from 2006 to 2011 searched for any references to Australian CEOs from all sectors of the economy, but with more emphasis on finance, resources, industrials and materials, healthcare and biotechnology and information technology and telecommunication companies. This was because these sectors comprise the majority of the Australian Securities Exchange top 150 companies (http://www.asx.com.au/research/industry-sectors.htm). More than 20 CEOs were identified based on references to their expertise as communicators by professional organisations (accountants, lawyers, company directors, and human resource managers), the media, and peer groups. Organisations that represented professions (CPA Australia, Australian Institute of Company Directors, Australian Human Resources Institute, Australian Business Awards, and E&Y Entrepreneur of the Year) were also reviewed for references to awards that reflected positively on CEO communication skills. The researcher used publicly available websites (e.g. Australian Broadcasting Corporation, Fairfax Media, BRW, The Australian, Boss magazine, and the Leading Company website), as these are the primary sources for information on CEOs and their organisations. When CEOs were identified through this process, a more intensive search was made of their organisation’s website. Google searches were made of their names and a new global business browser being tested by CSU, OneSource (http://globalbb.onesource.com.ezproxy.csu.edu.au/homepage.aspx) also allowed for individual CEOs to be searched for references to any speeches, public presentations, or appearances on business electronic media outlets.
For Google searches, the word “communication” was added to the CEOs name, and these searches further uncovered profiles and lesser-known appearances before professional bodies. For example, Gail Kelly, the Westpac bank CEO, was referred to in a paper by a multinational executive search firm in 2006 on the topic of managing change and made many references to the value of communication, both internally and externally (Rogers, Meehan and Tanner, 2006). Other sources included the Australian Financial Review Boss magazine which each year searched for top CEOs (True Leaders) where peers and external professional bodies nominated chief executives on a range of criteria that included their (generalised) communicative skills. Sites such as Leading Company (http://www.leadingcompany.com.au), Smart Company, The Power Index (a crikey.com.au separate online site dedicated to leadership issues) and Business Spectator (http://businespectator.com.au) and its CEO Hub (where CEOs are regularly interviewed and topics of importance are discussed in depth) were also scanned for names of communicatively competent CEOs. The national business media (Sydney Morning Herald, Australian Financial Review, and The Australian) were regularly reviewed.

5.2.1 Interviewing CEOs:

In late 2007, early 2008 attempts were made to interview a number of chief executives who had been identified as being effective communicators. In-depth, qualitative interviews were planned. The request letter explained briefly the purpose of requesting an interview. The letter also mentioned that they had been selected for interview based on external sources (professional bodies, media commentators) because of their highly regarded communication skills. It is worth recording that the requests to the CEOs had to go through their executive assistants or personal secretaries, and I received two positive responses to the 12 letters initially mailed out. However, it became increasingly apparent that the interviews could not be arranged because of national or international travel, board meetings, or senior management meetings. The researcher informed the executive/personal assistants that there was no urgent or immediate time frame but it become increasingly difficult for them to confirm a date or time, and in the end I did not want to keep making inquiries of them. Two former colleagues who were direct reports to CEOs initially offered to seek an interview time but they also were not successful. It is a matter for reflection that CEOs identified as spokespeople, reputation managers, and leaders, would not engage with the research.
If the researcher had been a senior business media commentator, there is a strong assumption access would have been granted, as responding to the media is core element of their CEO role, whereas making time for an academic researcher might not been seen as a use of valuable time.

The next step was a further content analysis between 2006 to 2011 for public expressions that the identified CEOs used to express their thoughts on communicating with key external stakeholders. The professional bodies and media commentaries were important sources as they ensured that an independent view was available in a further attempt to eliminate any bias by the writer of this thesis. The CEOs identified from all these sources, and who were mentioned in the East Coles Most Effective CEOs survey (2010-2011-2012), are listed in this chapter under each of the behaviours/attributes identified from the content analysis. *The Australian* newspaper’s Top 50 Business leaders was published on March 16-17, 2013, and five of the top 10 listed were CEOs recognised through the earlier research as being outstanding communicators (Richard Goyder, CEO, Wesfarmers; Mike Smith, CEO, ANZ Bank; David Thodey, former CEO Telstra; Gail Kelly, former CEO, Westpac, and Ian Narev, CEO, CBA Bank).

5.2.2 Interviewing senior business media commentators:

On realising the CEO interviews would not be possible to arrange due to the unavailability of the CEOs as described above, it was decided to seek out and interview eight of the 15 leading business media commentators from the mainstream Australian business print and electronic media. This was because they had regularly interviewed a majority of chief executives on the researcher’s list over the past 10 years and three of them had earlier provided the researcher with the names of CEOs they considered to be effective communicators. The media chosen are recognised by professional communicators as the most respected and prestigious in the market. They are the *Sydney Morning Herald* (business columnists, business writers); *Australian Financial Review* (industry specialists and columnists), *The Australian* (business commentators and industry specialists (i.e. financial services and mining), *The Age* (columnists and industry specialists (i.e. financial services), *Sky Business* news and a national online business site (Business Spectator KGB). Because of their need to interview CEOs regularly, the senior business columnists from these media outlets would have perceptions as to what
comprised communication competency and which CEOs they believed to be effective communicators.

These interviews were conducted between mid-2011 and early 2012. The analysis of these interviews is also discussed in detail in this chapter under each of the behaviour/attributes found from the literature research. The senior business media commentators interviewed as part of this doctoral research were reasonably easy to contact, and as I had worked with most of them in my past business life they were willing to speak with me. The interview questions (approved by the CSU Ethics Committee) were:

a) What is your understanding of the concept of communication competency?
b) Thinking of CEOs in the finance sector how would you define communication competency; is it any different to your first answer?
c) Here are some indicators that theory has as identified as being communication competencies of leaders (Emiliani, 2003): (show card):

   The first is listening (defined as encouraging others to engage in dialogue):

   1. Attends to the meaning of ideas;
   2. “Hears’ what is not said;
   3. Is willing to exchange ideas based on new information

   The second is communication skills (expresses ideas effectively):

   1. Conveys ideas succinctly
   2. Delivers information with energy and conviction
   3. Uses appealing and persuasive arguments
   4. Understands issues of importance to stakeholders

d) Can you name three CEOs in your area of expertise who would meet all or most of those indicators?
e) Consider the role of a CEO, either one you have named, or one generally from your experience, when they communicate an organisation’s reputation and their own reputation, what competencies do you consider when making a judgment on this factor?
f) Communicating a vision and strategy has been identified as a core CEO competency from the research. What would you describe as effective communication behaviours that would allow you to clearly understand how a CEO articulates a vision and strategy to the media?

g) Candour and credibility are also listed in the research as desirable CEO attributes. How would these be communicated effectively to you as a senior writer?

5.3 Completing the circle- quantitative research:

In mid-2012 a specialist financial services research firm, East-Coles, was found to have conducted regular surveys of the majority of investors and analysts in Australia (a key CEO stakeholder group), and regularly had a “Most Effective CEO” annual question in their surveys. Discussions were held with the principal of this firm who volunteered to provide all the data from past surveys that referred to this CEO question. The names were cross referenced with those CEOs identified from the earlier research into CEOs (Appendix Five) and many of the same names were listed. To obtain the views of this external stakeholder group, it was considered that a change from qualitative to quantitative methodology was required. A series of questions were developed to seek the views of investors and analysts on what they perceived to be chief executive officer communication competencies. The principal of the firm also offered to test the questions with one analyst and if that proved to be satisfactory, then independently distribute a questionnaire to their primary database. The results from the triangulation of this data with the results of the qualitative research are discussed in detail further in this chapter.

5.4 Core findings:

After the core communication behaviours/attributes were identified from the literature, as has been explained in Chapters Two and Three, a behavioural approach was utilised. Flauto (1999) comments on strategies for evaluating communication competence, which include third-party observation and participant observation. For the purposes of this thesis, third-party observation, while limited as to the number of communication situations which are open to observation and participation, was tested in the interviews with the senior business media commentators and in the investor/analysts questionnaire.
To summarise the findings from the literature review and content analysis, the following are the qualitative behaviours/attributes that form the basis for this thesis:

a) Dialogue;
b) Trust;
c) Credibility, source credibility;
d) Honesty, openness, transparency;
e) Mutuality;
f) Mutual understanding (managing relationships).

Each of these behavioural elements was extracted from the literature review, the content analysis of CEO interviews and commentary, and the senior business media interviews.

5.5 Communication behavioural attributes:

The following communication behaviours and attributes are analysed in depth and supported by the evidence from the research to demonstrate what is core to how a CEO is perceived by their key external stakeholders when assessing their communication competency. While it was not possible to interview the CEOs found to be effective communicators, the following sections use their own words from the wide range of interviews and speeches they have made, supported by the comments from the interviews with the senior business media commentators.

5.5.1 Dialogue:

Successful CEOs are communicators who can articulate a vision that they translate into effective messages that will attract the interest of the media, investors and analysts and contribute toward perceptions of effective management and an enhanced reputation of both the CEO and the organisation they lead. As has been discussed in Chapter Two, communication is the managing of meaning and CEOs need to be aware at all times of how to ensure that their stakeholders receive and understand their messages. Lachotzki and Noteboom (2005, p.18), pinpoint the role of dialogue when assessing a communication behavioural attribute, “Dialogue is the vehicle that creates focus and turns fear into shared uncertainty.”
Moore and Sonsino (2003, p.76) support this concept and reinforce the role of dialogue: “To be an effective leader requires the desire to communicate and the skill to engage in dialogue” but that “very few people are explicitly taught how to talk, persuade or listen.” The same authors also quote Bijur (2000, p.76) "to be an effective leader requires the desire to communicate and the skill to engage in dialogue.” To continue to facilitate the discussion on the importance of managing meaning and by implication the role of dialogue (talk) as a core communication behaviour/attribute, Fairhurst and Starr (1996, p.226) wrote:

“Leadership is about taking the risk of managing meaning. We assume a leadership role, indeed we become leaders, through our ability to decipher and communicate meanings of complex and confusing situations. Our communications actually do the work of leadership; our talk is the resource we use to get others to act.”

Dialogue as an element of communication behaviour was also identified by Davies and Chun (2002), when they referred to external networking and liaison by leaders, both of which require two-way discussion and face to face communication.

In Chapter Three, a number of theories were assessed as to their relevance to the research question, and a relational communication model was argued for. Kent and Taylor (2002), locate dialogue within a two-way relational communication theoretical model, as do Theunissen and Noordin (2012). These authors make a strong point that dialogue changes the nature of any organisational-public relationship by placing emphasis on the relationship. “Although the partners in exchanges are often of differing status, discussants should consciously avoid the dynamics and trappings of power to manipulate or otherwise control the flow or direction of conversation,” stated Kent and Taylor (2002, p.25). These authors also posited that organisational leaders, especially those who communicate with publics (which described the CEO role), must be comfortable engaging in dialogue and they suggested that organisational leaders should be trained in dialogue. Other communication skills referred to were listening, empathy, contextualising issues with a wide range of local, national and international frameworks, and seeking a range of external opinions on policy issues. Dialogue focuses on relationships and strives for mutuality (Theunissen and Noordin, 2012).

Chun and Davies (2006) took the concept of dialogue further when discussing the role of a spokesperson (the CEO in this case) as sustaining a corporate dialogue.
This reference to dialogue further reinforces the position of the CEO as being identified with the organisation they lead. Arnold (1989, p.335) wrote about the role of a CEO as a corporate spokesperson and the importance of their communicative ability: “the modern CEO has become a public persona-not because he or she wants to be a media star but because the company’s survival and success demand effective communication strategies and tactics.”

This position of the CEO as a dialogic communicator is exemplified by the example of Gail Kelly, former CEO of the Westpac Banking Corporation (2008-2015). Before the Westpac appointment, Kelly had been instrumental in radically transforming a Westpac subsidiary, St George Bank, and she became recognised by the media as a CEO who was an effective communicator. Rogers, Meehan and Tanner (2006, p.5) commented that Kelly “relentlessly communicates.” They also stated Kelly got out and talked to customers, that she encouraged employees to email her and that she answered them personally (see this link for the publicity Ms Kelly gained during a recent visit to Bathurst, Orange and Dubbo to visit staff and customers (http://www.abc.net.au/news/2014-04-04/kelly-westpac/5366598). The media have drawn a parallel with this behaviour/attribute of being able to engage in dialogue with key stakeholders, and the bank’s double digit earnings growth from 2002 to 2005.

Another CEO who referred to the need for dialogue was Steve Sargent who has been CEO of GE Australia since 2009. GE has interests in aviation, energy management, healthcare, lighting, mining, oil and gas, power and water and transportation, and therefore has a significant number of external stakeholders to deal with:

“We do talk to different people at different levels of the customer’s organisation. We may talk to a CEO and a CFO, for instance, to get their perspectives, and complement that by talking to the people in the customer’s organisation who deal with our people on a day-to-day basis. You do need those multiple inputs, and you need to weigh them carefully, to get the complete picture,” (CEO Forum, Sargent, undated).

Sargent's credentials as a CEO who understands the role of effective communication is further demonstrated by this 2011 statement: “Marshalling the troops requires the ability to communicate - one on one, and to hundreds if not thousands,” he told a Melbourne Business School leadership forum (Sargent, June, 2011).
In a CEO Forum (April, 2011), he reinforced this commitment to dialogue and its role in creating a culture of communication with this statement:

“Your first task as a CEO is to create the right kind of climate, environment and culture in your organisation. For ideas to thrive a culture that supports high levels of debate, low levels of conflict, and lots of freedom for new ideas to emerge. My role is an enabling role. As I noted earlier, it is about creating a supportive culture and climate, and setting up connections between people, both within the organization and outside it.” (Sargent, 2011).

Some of the senior business media commentators interviewed for this research thesis also singled out Sargent as an effective communicator through his preparedness to be interviewed for business television channels such as Sky Business News, Switzer TV (a Fox channel), Business Spectator, and the national broadcaster, the ABC. He was nominated by a senior Sky News business commentator as the most effective communicator he had dealt with (personal interview, January, 2012). On March 16-17, 2013, Mr Sargent was listed at No. 20 in The Australian newspaper’s Top 50 Business leaders (www.theaustralian.com.au/top50/2013).

Another CEO who has been identified as understanding the role of dialogue in organisational communication is the CEO of one of Australia’s major banks, Mike Smith (Australia and New Zealand Banking Group Limited since 2007). Smith was described as “plain speaking” by The Power Index (14 September, 2011). Smith was also referred to positively by many of the senior business media commentators in the interviews with the comment by interviewee #6 that he “calls it as he sees it”; media interview commentator #3 stated that some CEO’s were genuine at engagement, and did not need a public relations person to talk for them. This media commentator stated that this direct personal communication was seen as being highly valued; “one-to-one face time is important,” they said.

To support the concept of dialogue as being a core CEO communication behavioural attribute, media commentator #5, defined competency as the ability to “articulate what they are doing” and to clearly understand the medium through which they are communicating, and how to use that medium with effect. CEO’s should “not tell lies,” they said and they should also be engaging and able to tell a story that demonstrated their deep understanding of the issue being discussed.
Dialogue was linked to empathic listening (Isaacs, 2008) and was stated by one media commentator as a highly valued competency, as was the need to “treat the question as legitimate” and “understand the substance of the question”. Through empathic listening a more constructive dialogue can be engaged in. Media commentator #8 said communication competency was the ability to “give people a fair understanding of what is happening from the company’s perspective; communicating from that perspective clearly to shareholders and the media.” This analysis of dialogue emphasises that it is a core competency for a CEO.

5.5.2 Trustworthiness:

Trust has been at the centre of attention of management/leadership and organisational communication scholars for many years. Santora and Sarros (1998) when commenting on research into Australian CEO dismissals, noted that CEOs needed to build and maintain the trust of directors and other stakeholders as a core aspect of their organisational management skills. Butler and Cantrell (1994) and Butler (1991) reported on a strong linkage between communication and trust which also confirms the relevance of trust as a core communication competency for CEOs. This substantive research into the role of trust in business communication has continued with a multinational public relations consulting firm, Edelman (2013, 2014) engaging in bi-annual surveys of trust in four key institutions—government, business, media and non-government organisations. In their 2013 survey (31,000 respondents in 26 countries), they found that less than one fifth of the general public believed business leaders and that trust in business leaders was lower than trust in business, and professors were trusted twice as much as a CEO. The 2014 Edelman Trust Barometer signalled a slight increase in trust in business and that trust in leaders as credible spokespeople had also levelled out, with CEOs (49% for 2014, compared to 31% in 2009), still below academics and experts (67% in 2014 and 62% in 2009).

The commentary on trust in leadership (2014, p.6 of the Executive Summary, http://www.edelman.com/insights/intellectual-property/2014-edelman-trust-barometer/about-trust/executive-summary) also stated that “trust in the person leading the company is inextricably linked with trust in the company itself. Actions taken by CEOs shape trust in the companies they lead and influence the behaviours and attitudes of their stakeholders.”
Respondents were also asked what actions CEOs should take to build trust; 82% nominated communicating clearly and transparently, and 81% said telling the truth, regardless of how unpopular or complex that might be. Also being visible during challenging times and having an active media presence were also important.

This commercial research has supported many of the same behavioural attributes found during the literature review. There is a strong link between a CEO and trust in that position and the organisation itself, and transparent and truthful communication are vital factors for a CEO’s communication behaviours/attributes. CEOs therefore need to be very aware of how their key stakeholders perceive them. The report’s 2013 executive summary (http://www.edelman.com/p/6-a-m/crisis-in-leadership) states, “The hierarchies of old are being replaced by more trusted peer-to-peer, horizontal networks of trust”. The report authors refer to trust and credibility as being driving forces for building organisational value in today’s competitive marketplace and state there was a need for organisations to improve their communication with all stakeholders and embrace all channels of communication. Edelman also reported that as a result of the loss of trust in business leaders, leaders needed to embrace a new model of engagement.

“We have moved from the few to the many, from dictate to co-create, from monologue to dialogue and from control to empowerment,” wrote Ben Boyd (2013) global chair of Edelman’s corporate practice (http://www.edelman.com/post/the-diamond-of-influence).

The role of trust and of leaders being open, honest and fair with effective leadership being based on relationship building, engagement, high trust levels, information being freely shared, and mutual education and feedback were supported by Mai and Akerson (2003). Mai and Akerson also mention the Enron case study where trust was eroded with substantial damage to the reputation of the organisation and the consequent disappearance of Arthur Andersen, one of the world’s largest accounting firms, which was caught in the same scandal. “How leaders communicate with their people is clearly key to how trustworthy they appear and how well they in turn extend trust to employees,” (p.23). These comments can also be extended to relationships with key external stakeholders.

Commitment, trust, performance satisfaction and interdependence were core to a Ledingham, Bruning, Tomlinson and Lesko (1997) scale of measuring organisation-public relationships, and of these, trust was deemed the most important by Grunig and Huang (2000).
When assessing these relational attributes as communication behaviours/attributes, trust, openness, credibility, mutual understanding and satisfaction are dimensions that can be measured by key external stakeholders when they are evaluating their relationships with CEO’s. Chun and Davies (2006) list trust as one component of their agreeableness dimension when they list leader competencies. Ledingham and Bruning (1998) listed trust and open and frank communication as being of value when leaders wanted to build relationships with key external stakeholders. In the content analysis of the CEO transcripts and media reports, trust is mentioned five times by the CEOs, which demonstrates that it is a competency they acknowledge. David Morgan, a former CEO of Westpac Bank, stated at the bank’s 2007 annual meeting that the business was based on trust, and results needed to be sustainable to satisfy all stakeholders.

Another CEO identified as being supportive of the concept of trust was Brian McNamee, the former CEO of CSL Limited (1990-retired November, 2012) who transformed CSL from a run-down government owned organisation into a $21billion listed company. He was Ernst & Young Entrepreneur of the year (2012) and had been nominated in August 2009 by AFR Boss magazine as a true leader because of the strong continual growth of the company and his ability to adapt, have an open door policy, and also build trust among employees and investors. McNamee was also named in the East-Coles top 10 most effective CEOs in 2011. Business media commentator #8 said McNamee always delivered a coherent and consistent strategy and was always impressive. From these comments it can be taken that this commentator had a high degree of trust in this CEO.

Michael Chaney is currently chair of National Australia Bank and former CEO of Wesfarmers (1993-2005) and a proponent of trust. He was nominated in 2001 as BRW’s most admired leader and was reported as saying ethical behaviour was non-negotiable (The Age, June 26, 2004) therefore making a strong semantic link between trust and ethical behaviour. Craig Dunn, CEO of AMP Limited (2008, until the present- November, 2013) in an ABC Inside Business programme on July 1, 2012, made references to trust and relationship management when dealing with external stakeholders, such as accountants. Investors and analysts are also key stakeholders in Dunn’s listed company and the same attribute of trust can be applied to them.
Another CEO to refer to trust was David Thodey, CEO of the telecommunications giant, Telstra since 2009. Thodey’s predecessor had trashed the reputation of the company, with a halving of both the share price and market share. Thodey, according to media reports, has moved the culture from arrogant to responsive (Walters, 2012) and has patiently been rebuilding the reputation of Telstra and has received accolades from the business media for his ability to mend fences, especially with the federal government and customers. A “true-to his-word man, always on message, never acting out (The Power Index, 28 June, 2012). Thodey told John Durie, a senior writer for The Australian (2012) that trust was a key element of his strategy. Mr Thodey was No.3 on The Australian newspaper’s Top 50 business leaders for 2013 (www.theaustralian.com.au/top50/2013).

Terry Davis, the CEO of Coca-Cola Amatil since 2011 was selected in 2011 and 2012 by the East Coles research company’s investor and analyst respondents as a top 10 CEO in Australia, with five and a half years of double-digit earnings. In a November/December 2004 article by the Australian Institute of Management (http://www.aim.com.au/DisplayStory.asp?ID=524), Davis stated that trust and team harmony were important factors in how external stakeholders such as customers were managed and he said, “there was no substitute for direct communication.” Ian Narev the CEO of Commonwealth Bank of Australia (appointed late 2011) in an interview with Boss magazine’s Andrew Cornell and George Lionis on June 8, 2012, stated, “Trust is absolutely fundamental,” when dealing with any internal or external stakeholder.

Richard Goyder, CEO of mining and retail giant Wesfarmers Limited was reported as saying trust in business was also important, he told senior business media commentators, Alan Kohler and Stephen Bartholomeusz (7 September, 2012). Goyder said trust was also a key driver in deciding what was best for shareholders. In November 2010 Goyder was interviewed by Knowledge@Australian School of Business, and said, “Along with good systems, we’ve got a very open culture in the organisation. One of our corporate values is openness.” (http://knowledge.asb.unsw.edu.au/article.cfm?articleid=1268), accessed December, 2012. In March 2013, Mr Goyder was listed at No.1 in The Australian’s Top 50 Business leaders (www.theaustralian.com.au/top50/2013).

In the interviews with the senior business media commentators, trust was also mentioned regularly.
Media commentator #2 named a number of CEOs whom they considered as being consistent in their responses and were perceived as being open and trusted by the media. Media commentator #7 stated that trust was an important element when dealing with CEOs and this trust was eroded when a CEO says one thing and then does another. Those CEOs that were consistent in their responses and did not mislead were considered to be competent communicators, this commentator said. This was supported by media commentator #2, who said one CEO was trusted by the media “because he was so open.” This CEO was named as Telstra’s David Thodey. Media commentator #8 remarked that some companies “say one thing and do another and that erodes trust.”

CEOs therefore needed to be consistent and not mislead the media, which inevitably results in an erosion of trust and negative reporting which can flow on into negative analyst reports and potentially negative shareholder action (selling stock). Therefore to build and maintain trust with key external stakeholders, CEOs need to be aware that they need to understand what they have told the media, or other external stakeholders on previous occasions and carefully manage their responses to demonstrate they are managing the trust component of the relationship.

5.5.3 Credibility and source credibility:

Credibility refers to respect, reputation and good character. These attributes are managed through effective communication (Kouzes and Posner, 1993a). The perception of the credibility of a CEO by the media and analysts and investors can have a large influence on how these external stakeholders act or react to a CEO. In Chapter Two there are references to CEOs (Enron in the United States and National Australia Bank in Australia, for example) who lost a substantial amount of credibility through ineffective or inaccurate communication, and consequently were dismissed by their respective boards. Source credibility as a construct has also been examined by psychologists, some leadership writers (Davies and Mian, 2010), media researchers (Gaziano and McGrath, 1968) and accounting industry professionals (Mercer, 2004). Mercer’s research demonstrated the importance of management’s credibility (defined by Mercer as competence and trustworthiness) with investors when disclosing financial information to the market. Mercer also referred to the role of the media as a corroborating influence of disclosure credibility.
This comment reinforces one of the core points of this thesis, that the media is a key stakeholder and influencer of perceptions of senior managers such as CEO's. Mercer (2004) also defined disclosure credibility (p.186) as a perception held by investors, which reinforces the points made earlier on the role of perception management in the development of this thesis. Management credibility is a factor that affects disclosure credibility when assessing the communication competencies of a CEO.

One example of management credibility delivering positive outcomes for an organisation is David Morgan, former CEO of Westpac. Morgan (2004) on the ourcommunity.com website (http://ourcommunity.com.au) stated the essence of great leadership was personal integrity, “remaining true to your own values, your own beliefs and your own sense of right and wrong.” As reported in the Sydney Morning Herald (April 12, 2006), Morgan urged analysts to consider intangibles when they measured the value of an organisation such as its culture, its values, its links to the community, its environmental stance and customer service. A statement such as this to a core external stakeholder group is a strong method of influencing perceptions of the CEO by that stakeholder group and also builds up the credibility of the CEO. Westpac’s performance started to dramatically improve under Morgan’s guidance with an increase in share price and more positive media reports. Morgan was also reported on the CEO Forum (2007) as saying the CEO was the public face of the company and that people often made judgments based on the CEO’s own behaviour. These comments demonstrate that Morgan was aware of how his personal communication and credibility had an impact on key external stakeholders.

Michael Chaney, chair of the NAB bank, was interviewed by Tim Treadgold in The Age on August 25, 2004 (Treadgold, 2004). He reported that Chaney was driven by interpersonal awareness, communication, consistency and ethics. This example of developing a credible communication persona with key external stakeholders was one factor in Chaney being named as BRW’s most admired leader in 2001 and contributed to Wesfarmers being the best performing company on the Australian Stock Exchange in 2005.

One CEO who regularly is mentioned across most of the communication behavioural attribute dimensions is Gail Kelly, former CEO of the Westpac bank.
Kelly told *AFR Boss* (June, 2009, p.19), that her position was highly accountable and that she had to deal with all stakeholders, from:

“government through to regulators, through to media, through to fund managers, analysts, boards, external communities, and of course your people. You set the tone and culture and style of an organisation.”

Ms Kelly was nominated by *The Australian* newspaper on March 16-17, 2013 as one of Australia’s top 50 business leaders, with a ranking at No.7 ([www.theaustralian.com.au/top50/2013](http://www.theaustralian.com.au/top50/2013)).

Chris Roberts, CEO of hearing technology company Cochlear Limited (1992 until January, 2013), discussed his willingness to publicly discuss issues over a recall of hearing implants: “We communicated globally in a very open manner,” AFR video interview, February 8, 2012 ([multimedia@fairfax.bm](mailto:multimedia@fairfax.bm)). He also said it was always a risky business dealing with medical devices. Appeared on ABC Lateline Business (18/10/2011) to discuss product recall issues, he said:

“We're not running around like a chicken with its head cut off trying to get this product fixed up to get back on the market because we have a very, very good system that we’re selling today - with the CI24RE implant and the Nucleus 5 externals, and we'll do this properly in the fullness of time.”

In August 2013, Roberts was described by Urban (2013) as respected, with investors terming him professional, intelligent and passionate, but frustrating. This was because he kept the financial details of the business close to himself. However, on ABC News (10 August, 2010), Roberts explained the reason he could not give profit guidance to analysts initially on becoming CEO was that he needed to take a long term view of three and 10 years down the track. In an interview with Leading Company (13 February, 2013) he stated:

“It’s important that key customers and key surgeons around the world are connected to our company’s vision. That the vision is not just something in my head-it has to be communicated and clearly understood. We need thousands of people around the world on the same page and heading in the right direction.” ([http://www.leadingcompany.com.au/leadership/cochlear-ceo-chris-roberts-how-to-navigate-a-disaster/201302133671?utm_source=LeadingCompany&utm_campaign=61403f172e-Wednesday_13_February&utm_medium=email](http://www.leadingcompany.com.au/leadership/cochlear-ceo-chris-roberts-how-to-navigate-a-disaster/201302133671?utm_source=LeadingCompany&utm_campaign=61403f172e-Wednesday_13_February&utm_medium=email)).
This is a very strong example of how a CEO builds and maintains credibility that resonates with investors, analysts and the media.

Ian Smith, former CEO of Newcrest Mining Limited (2007-2012) was voted in the Best Chief Executive top 10 by the East Coles (2011) investor and analyst survey. In an interview on Business Spectator on 19 August, 2009, Smith reinforced his credibility when he told Robert Gottliebsen and Stephen Bartholomeusz that he had to clear some issues when he became Newcrest CEO in 2009 before more detailed communication with shareholders could be made available: “If you communicate properly with the market and you have credibility with the market, hopefully your valuation will protect you to the greatest degree.” (http://www.businessspectator.com.au/bs.nsf/Article/Ian-Smith-Newcrest-pd20090818-UZVSE?opendocument&src=rss).

Another CEO highly respected by the media, and recently retired, is Brian McNamee, of CSL Limited, who was quoted in smartcompany (see reference above under trust), as being very open regarding the company’s operations. McNamee was acknowledged by the Australian Shareholders Association as one of the most successful CEOs in Australia. On his retirement, there were many references to McNamee’s credibility in the business media.

Media commentator #4 (a daily financial media columnist) referred to credibility. He said CEOs needed to show leadership and “use such terms as ‘us,’ and that ‘The new Fosters CEO appears to listen and appears to be intuitive. I often go back and monitor what was said at the interview with earlier comments and see if they build their credibility.” This commentator also referred to one past CEO who he said had restored the credibility of the organisation he was responsible for by building sound relationships with the business media and delivering outcomes that were consistent with his communication with the media. The previous two CEOs of this organisation had gradually eroded shareholder, analyst and media credibility by not communicating openly, he said. This media commentator also gave views about some CEOs who were unwilling to be open about their organisation and observed that these companies were also often performing poorly. Media commentator #3 said CEO’s needed to come across as genuine and convincing, otherwise the commentator would question their veracity and media commentator #4 also referred to a previous CEO of a very large mining corporation who had also rebuilt
credibility with financial analysts which the current CEO was in the process of destroying through arrogance.

5.5.4 Honesty, openness, transparency:

Leadership behaviours and attributes measured by the business and finance media (Zenger Folkman, 2012) have listed honesty at the top of the list. The basis of this competency was the ability to treat people with respect. In September, 2013, Canadians (CBC News, 2013) were asked to rate the qualities that an ideal political leader should have, and they ranked honesty at the top (95% cent of respondents). Business media commentator #4 stated that candour (honesty, truthfulness) was a valued competency of CEOs by “shareholders and certainly valued by the media.” The initial research for this thesis was a detailed analysis of the communication behaviours of the CEO of James Hardie Industries (Alexander, 2006). The key findings were that dishonesty (telling lies, not being open in their communication); weakness (not wanting to communicate); and being irresponsible (ignoring inputs from key stakeholders, i.e. not listening) were negative communication behaviours that came out of an analysis of the transcripts of a Commission of Inquiry and a book on the company (Haig, 2006).

From this assessment, a strong argument can be made for a CEO to be perceived as being honest, being open and transparent. Transparent communication and openness also match Chun and Davies’ (2006) agreeableness dimension. In the relationship management literature, Grunig, Grunig and Ehling (1992, p.83) listed openness as one of the core measureable dimensions of being a competent communicator.

One CEO who practised openness was Frank O’Halloran, former CEO of QBE Insurance Limited (1976-2012). O’Halloran has been quoted as saying he did not want the shareholders to get any surprises and that unless CEOs delivered reasonable returns for shareholders they would not survive in the long term (The Institute, 04, 2009, [http://www.theinstitute.com.au/journals/viewpoint1.pdf]).

Grant King, CEO of Origin Energy (2000 to 2015) is in a group of CEOs identified by investors and analysts as one who speaks out on issues he feels strongly about (AFR Boss magazine, March, 2009). King used words such as “A value creating organisation”, and “we distribute that value to shareholders; transparency is also important, nothing
remains secret forever,” in an interview with Narelle Hooper, Editor, *AFR Boss*, 1 November 2012, *Meet the CEO*, on a UNSW Australian School of Business television programme (http://tv.unsw.edu.au/video/meet-the-ceo-with-grant-king-ceo-origin-energy-full-version). This reaffirms the importance of openness, honesty and transparency as a core CEO attribute. King also said that he needed to be concise in his communication as people have a limited attention span at his level. Nominated in *The Australian* newspaper’s Top 50 in Business (3 February, 2012) for being an effective CEO (http://www.theaustralian.com.au/top50/2012/the-top-50-most-influential-in-business/story-fnbtdzs-1226268116798), King was also named as the only Australian CEO in *Harvard Business Review’s* top 100 CEOs in the World, 2012. In 2013, King was listed at No. 21 in *The Australian’s* Top 50 business leaders (www.theaustralian.com.au/top50/2013).

Another CEO who openly espoused openness is Richard Goyder, CEO of Wesfarmers (appointed in 2005 until the present, April, 2014). He is reported in *AFR Boss* (April 2009) to have said “make sure you are listening; make sure you get good advice.” He was described in *The Australian* (May 6, 2004) as: “extremely honest, extremely open and highly competent.” Goyder was quoted as stating “We have four core values as a group- integrity, openness, accountability and boldness. If I want people to take these values seriously, then I have to live them as well. We have very open communication channels for a reason.” Goyder said he expected his business unit leaders to generate a decent return on invested capital and to protect and enhance their company’s reputation. In an interview with the Australian School of Business (November 2, 2010), he reiterated that one of the core values was openness, and that he was always confident that, if something needs to be done, particularly in relation to bad news, it would travel to him very quickly.

Another CEO who sets an example of openness and transparency is Greg Kilmister, CEO, formerly Campbell Bros, now ALS Limited, since 2005. An inaugural Fellow of the CEO Institute (August 10, 2010), Kilmister has been ranked most effective CEO for 2011 and 2012 by analysts and investors in the annual East Coles survey. Consistently delivering outstanding financial results (e.g. 2012, a 27% increase in revenues, a record profit 68% higher than the previous year, and record earnings per share; sourced from his address to shareholders, 2012, www.alsglobal.com). Kilmister was also named by investors and analysts in the quantitative research for this thesis as an excellent communicator.
The company publicly states in its Risk Management Framework (thealsgroup.com, accessed January 6, 2013) that:

“Communication to stakeholders, both internally and externally, will not only assist in establishing a positive culture of risk management but ensure all potential and actual risks are identified and reported as part of the risk management process.”

Terry Davis, the CEO of Coca Cola, in 2004, stated that his philosophy on transparency was: “Also new systems were introduced to provide a transparent view of how customers are managed, also trust and team harmony were important and that there was no substitute for direct communication,” (http://www.aim.com.au/DisplayStory.asp?ID=524).

CSL’s former CEO, Brian McNamee, in an Australian Financial Review interview (November 9, 2012) gave some advice to young CEOs to combine humility with not setting unrealistic self-imposed targets. “This could only lead to a cycle of failure,” he said. Also shareholders were more tolerant of CEOs when the CEO was honest with them and provided a plan for the future, said McNamee.

In the media interviews, commentator #5 said it was “pretty basic, don’t tell lies.” This media commentator also said “candour is valued, not just by customers, but by shareholders, and is certainly valued by the media.” Media commentator #6 stated their definition of CEO communication competency was “being upfront and transparent.” They must be seen to be willing to do that, they said. Relationships were also important (mentioned often in this interview). Media commentator #7 also said competency meant the ability of a CEO to communicate with media on a variety of levels. Some were more honest than others, especially the female CEO of one of the banks. This person, they said, was also articulate and appeared to be genuine and honest. Other bank CEOs had been inconsistent, without a clear strategy or direction (vision, reference). Media commentator #8 made a direct reference to transparency, “I suppose transparency is also just being upfront, as well, if you’ve got bad news, if there is something ugly lurking around it is better to get it out there in the public ether. If you keep on trying to cover it up it just festers really, in my opinion.” Another senior media commentator, #3, said one major international organisation had become more open as a consequence of the new CEO having “genuine discussions with the key media, he convinced me he knew where he was going.”
5.5.5 Mutuality:

This concept comes from the management/leadership literature and also the relationship management theoretical discussions. Mutuality is a core element of the research of Broom, Casey and Ritchey (2000), Ledingham and Bruning (2000), Ledingham (2003), Ledingham (2006), Hon and Grunig (1999) and Huang (2001a, 2001b). This attribute is built on the basis of all parties to any dialogic transaction perceiving that they hold an equal amount of power. While this concept may seem at odds with the general perception that CEOs hold most of the power, for the desired outcomes of dealing with external stakeholders, CEOs need to be aware that mutuality will contribute to more positive perceptions of them. Jo, Hon and Brunner (2004, p.16) define mutuality as the:

“Influence of one party on the relative probabilities of actions by the other. In most relationships, one party has control in some contexts and shares or gives up power in others. The distribution of power in the relationship may be always under negotiation, and control does not necessarily have to be equally divided for relationship stability as long as inequalities are accepted by parties in the relationship.”

The research by Jo, Hon and Brunner tested the organisation-public relationship factors of Hon and Grunig’s (1999) indicators for measuring relationships. For mutuality the core variables were identified as decision making, control and influence. While no specific questions on these relationship factors were asked in the quantitative research with the investors and analysts, these concepts were extracted from the literature review, the interviews with the senior business media commentators and the content analysis of the CEO material (transcripts, media articles and actual interviews at public forums).

One example from the CEO content analysis is that of Frank O’Halloran, former CEO of QBE Insurance (1976-2012) who was consistently lauded in the media for delivering outstanding shareholder returns, and had a “genuine care for people.” (AFR Boss, May, 2009, p.20). He was nominated for the Insurance Hall of Fame, as a “true leader who also maintained a clear vision of the future and has the skills and ability to assess opportunities that greatly enhance the value for shareholders and staff.” Insurance Hall of Fame, 2010. (http://www.insurancehalloffame.org/laureateprofile.php?laureate=144), accessed January, 2014. From this brief analysis it can be argued that Mr O’Halloran understood the concept of mutuality because of his concern for people.
Gail Kelly, former CEO of Westpac, was also reported in AFR Boss magazine (June, 2009, p.19) as saying she was highly accountable and set the tone and culture of an organisation, therefore demonstrating awareness of the concept of mutuality, and Stuart Crosby, the CEO of Computershare (2006 to 2011) a global share registry managerial company, told the Australian Broadcasting Corporation’s Emily Stewart (2011) on November 9, 2011 of tough times ahead. He said the company had been running flat out but was actually standing still. A senior media commentator, Michael West (2012), in BusinessDay (smh.com.au, March 16) noted that Crosby was a smash hit with the investment community. This independent comment reflects on how he was perceived by that stakeholder group. In an Austrade Case Study (August, 2012) Crosby (referenced in Chapter Six) said the company needed to have a clear focus on communication and understanding the needs of customers. This appears to demonstrate his understanding of the need for a distribution of power between himself, his organisation and key external stakeholders, thus highlighting his influence, and this in turn reflects on his ability to take a mutual approach to communicating with these key external stakeholders.

Richard Goyder, CEO of Wesfarmers, mentioned earlier under the concepts of honesty and openness, also appears to understand the concepts of mutuality. In references in media interviews (The Australian, May 6, 2004) Goyder discusses an ability to listen and receive good advice before communicating any responses. In The Australian newspaper (March 12, 2013, http://www.theaustralian.com.au/top50/2013/richard-goyder/story-fnhacdow-1226583465027), a major investor in Wesfarmers is quoted, “You don’t meet many people doing what Goyder does who are as universally liked as he is, or who give back as much to their local community as he does.” The newspaper named Goyder as Number One in its top 50 business people of 2013. Goyder expressed his philosophy, "I also think leading by example, demonstrating clearly what you want achieved, and communicating your message is clearly essential, as well as a bit of good luck.” This understanding of a mutual dependence on staff, customers, suppliers and the investment community reflects a commitment to the concept.

“Thodey showed a willingness to engage with all industry players immediately after being appointed to the role, a move that surprised many after years of being ignored by Sol (Thodey’s predecessor).” There was discussion in the same article about Thodey’s use of power, which appears to not be built on ego or power plays, but is also respectful of others’ points of view. This further demonstrates an awareness of the decision making, control and influence aspects of mutuality.

The CEO of GE Australia, Steve Sargent, told a CEO forum in April, 2011 (http://www.ceoforum.com.au/article-detail.cfm?cid=11426&t=/Steve-Sargent--GE-Australia--New-Zealand/Executing-on-innovation) of his views about creating a supportive culture and climate and setting up connections between people, both within the organisation and outside it. This statement further demonstrates an awareness of a need to create a mutual communication relationship between the organisation and key external stakeholders.

When discussing influence, business media commentator #1 remarked that the media looked for confidence from CEOs and a knowledge of what the market expected from them as core communication competencies. This created a favourable perception toward those CEOs who were oriented toward helping to meet the needs of the media. Business media commentator #5 stated:

“Having a sense of the real world and that of their shareholders was also important. Candour was valued by shareholders and the media. I don’t know how you would frame the test but if you did an analysis of how positive the media coverage was of CEOs who were candid and open about things, the coverage would be positively skewed.”

This commentator also said there would a strong linkage between a CEO who was candid and open and positive media coverage. The CEO of one major bank had made the point to this business media commentator:

“That 40% of their share price was net tangible assets, which meant 60% of the share price was blue sky and his job was to manage the 60% that was without substance so that meant he had to be out talking, generating staff engagement, getting shareholders on board and motivating people.”

This comment demonstrates a strong awareness of the need to build mutual satisfaction between the CEO, the organisation and key external stakeholders.
This same media commentator said:

“Shareholder expectations have changed and they are looking for CEOs who they are not going to have to consider suing for misleading them. Those that take the time to talk to the media, to invite them into the boardroom are affirming when a CEO needs to communicate to key external stakeholders, “being “on message” and trotting out corporate speak and slogans are out; if you cannot explain it simply then you do not understand it yourself.”

Sloganeering and a numbers smokescreen were also cues for thinking that all is not right, the media commentators said.

5.5.6 Decision making:

In respect of the basis on which this thesis is grounded, a CEO would need to consider their relationship building expertise if they wanted to engage with a senior media commentator at specific times of the year (for example quarterly and annual results; a takeover or defence response, or a major product announcement). Some of these decisions would be driven by external factors, such as stock exchange reporting requirements and other decisions would be subjected to a discussion as to the purpose of accepting an invitation to speak at an industry forum. A CEO would also need to decide if they wanted to discuss issues with an investor or analyst (after considering all the regulatory factors that impact that type of decision).

5.5.7 Control and influence:

A CEO’s decision to engage in a communication relationship would have some elements of control from their perspective. They would ask themselves, or seek the advice of their senior communication advisor, what is the purpose of this public appearance? Is it going to enhance my own and the organisations’ reputation? What might the impact of the interview/appearance have on the investors and analysts and therefore the stock price? Control can be exercised equally, as both parties to the dialogue have defined outcomes (the CEO has a predetermined message; the media commentator has the power to publish and disseminate the material gained from the interaction).

Influence as the third variable is also exercised similarly to control, as the CEO is seen by the media commentator and investor and analysts as being influential (as has been discussed previously in Chapter One).
Ledingham and Bruning (1998b, p. 27) emphasised the need for organisations to focus on relationships with their key publics (stakeholders) and to communicate those activities that build those relationships, which they emphasised must be “mutually beneficial, based on mutual interest between an organization and its significant publics.”

If a CEO is not aware that negative perceptions could be detrimental to theirs, and the organisation’s reputation, a CEO is putting themselves in a potentially difficult situation. This has been demonstrated in earlier case studies where a CEO did not factor in the reputational damage they were creating (Enron, NAB, AMP, and BP). Media commentator #7 stated that communication competence was to give people a “fair understanding of what is happening, and communicating their perspective clearly to shareholders.” This commentator named a number of CEOs who were “clear” communicators in that they articulated their company strategy to the investment community and the media and therefore influence how they were perceived. Nearly all of the CEOs named by this business media commentator also appear in the researcher’s lists of competent communicators (Kelly, Westpac; King, Origin; Chaney, NAB; and Smith, ANZ).

Another element of discussion from one of the senior business media commentators was that fund manager perceptions of CEOs were also an important factor when writing about CEOs. They said fund managers might also have an agenda but they will often express their views clearly.

5.5.8 Relationship management:

The linkage between communication and relationships has been studied in the fields of interpersonal and organisational communication and public relations for many years (Rogers and Escudero, 2004; Hon and Grunig, 1999; Toth, 2000; Botan and Taylor, 2004). These authors have all noted that relationships are performed and shaped through the communicative process and that communication sustains a relationship.

What comprises the elements of a relational communication and what does the data tell us? Littlejohn (1995) referred to an external partner’s expectations when assessing the effectiveness of a relationship.
Lucarelli-Dimmick, Bell, Burgiss, and Ragsdale (2000) when developing a model for physician-patient relationships, suggested that trust, credibility, openness, mutual legitimacy, mutual satisfaction and mutual understanding were measures of a relationship state. Toth (2000, p.218) suggested that effective interpersonal communication is built on successful relationships which included the conceptual element of mutuality of understanding. Ledingham (2009, p.188) concluded his analysis of relationship management with one of the findings being “the outcome of effective relationship management is mutual understanding and benefit.”

According to Bolman and Deal (1997, p.294) leadership “exists only in relationships and in the imagination and perception of the engaged parties.” Other behaviours, according to the authors, are to persuade or inspire, “get things done” and produce cooperative efforts. Kotter (1988) also viewed leadership as building relationships. Davies and Chun (2006) defined managing relationships as a leadership competency. Pieczka (2010) articulated the importance of relationship management, and stated that relationships were built from communication, and that dialogue is at the core of this approach to the communication process.

Therefore understanding and managing relationships is a core element of being a competent communicator and this applies to CEOs because of their need to develop ongoing relationships with key media and investors/analysts. These relationships need to be based on a mutual understanding of the needs of the other.

Gail Kelly, the former CEO of Westpac bank, one of the CEO’s being analysed in depth, appears to be aware of the need for mutual understanding and relationship management. On May 12, 2012, in a wide ranging interview with Eric Johnston (The Age, 2012) and in response to a question regarding mistakes, Kelly referred to a bank decision in 2009 to double interest rates above those set by the Reserve Bank. She said:

“We didn’t handle it well, we didn’t communicate it well, and we weren’t really as front-footed enough. We didn’t anticipate the negativity of the response and there were too many things going on at once. It was a great learning curve.”

Kelly went on to say she was now a much better leader, but still retained a strong attitude to building relationships, not only with staff, but also with customers and other key external stakeholders. Kelly also demonstrated an awareness of the changing external environment as a communicator CEO.
In an interview with Spooner of Fairfax's *BusinessDay* (June 26, 2012) Kelly said that in the digital age there was no place to hide behind public relations people. She said that leaders needed to be visible and authentic and able to communicate the decisions they had made and why they had made them. Leaders also should acknowledge any mistakes and move forward and continue to engage in the debate. There was no place to hide, said Ms. Kelly.

Stuart Crosby, the CEO of Computershare, also demonstrated the need for a CEO to communicate with investors and that changes in the regulatory market meant he had to take a more leading role in getting the organisation’s message out into the market. In an August 2012, Austrade case study, referred to earlier, Crosby said working in Europe was different from working in the rest of the world. He said he needed to be plugged in, understand what is going on and work with people to unearth the potential opportunities. There was no point in coming with a blueprint from Melbourne saying this is what was needed. “What was needed was constant engagement with the many interest groups that were shaping the future.”

Ian Smith (Smith, 2012), CEO of Orica since February, 2012, made one of his first tasks the creation of a dedicated corporate social responsibility position and an accompanying communication strategy, and he also stated he and the company were taking a new outward view. The company had received a substantial amount of negative publicity through chemical leakages at one of its New South Wales plants during 2011 and 2012 and had made negligible responses to those issues, which had also compromised relationships with state government environmental regulators. Smith (Durie, 2012) appointed a new executive to oversee corporate social responsibility issues to improve oversight and accountability and to improve relationships with the NSW state government and the community.

The CEO of Coca Cola, Terry Davis, in 2004 told the Australian Institute of Management (http://www.aim.com.au/DisplayStory.asp?ID=524, accessed February, 2013) that as a leader you needed to be passionate and create a vision and be always trying to find a better way to do things. This required direct communication, he said. Both Ian Smith and Davis are examples of CEOs that clearly are aware of the need to understand and manage relationships with key external stakeholders.
Mike Smith, the CEO of ANZ Bank, when interviewed by Alan Kohler, Robert Gottliebsen and Stephen Batholomeusz (26 October, 2012), said:

“We need to move to be more in touch with what our customers want. I think banks have traditionally given customers what they think they want rather than ask them what they really want, and I think that technology is making that transformation very much quicker than we probably anticipated.”


On CEO Forum Group (2009), Mike Smith said:

“I have spent less time, for instance on some of the relationship-building activities that I might have done, such as having those expansive discussions with CEOs of regional banks about some of the opportunities we might explore together. As things settle down, however, there will be more scope for getting back to those kinds of activities.”

On the same forum he said, “as a CEO you can never over-communicate, as it is far more likely you are overestimating the degree to which people have already taken on your message.” This remark confirms that Mike Smith understands the need for relationship building and developing mutual understanding with regional banks for example. It can be assumed that developing relationships with investors and analysts is also on his agenda as their reports will be vital in maintaining the organisation’s share price. Business media commentator #6, referring to CEOs engaging with external stakeholders, said one CEO who refused to engage with the media was gone after a year, and that a CEO needed to engage to shape perceptions. This commentator said. “We didn’t even know what his strategy was.” The media gets more access today to CEOs than they did 10 years ago, mainly because the CEO’s understand the need to communicate with their external stakeholders, he said.

5.6 Quantitative analysis:

The content analysis of the CEO published material and senior media commentator interviews produced a substantial amount of data that tended to confirm the behaviours/attributes that had been extracted from the literature review. The core attributes extracted from the research created the framework for the attributes that external stakeholders are seeking when they analyse what communication attributes drive their perceptions of a CEO.
Table Five: Summary of qualitative research:

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5.6.1 Questionnaire design:

This section covers in detail the behaviours/attributes identified from the literature and the rationale for their inclusion in the variables to be included in the questionnaire. Other considerations when developing the questions were prompted by Scott’s (2007) discussion of the Relationship Index which was developed by Hon and Grunig (1999) and which was briefly outlined in Chapter Three. Scott affirmed that trust consisted of integrity, dependability and competence. The Index is primarily used to map the universe of external stakeholders that an organisation has to deal with (the media, customers, suppliers, governments, industry peers, investors and analysts). The basis of this research project is the communication dimensions for a CEO-key external stakeholder relationship, which can be measured and which can be used by a CEO to better understand their need to be an effective communicator when dealing with those external stakeholders. Hon and Grunig (1999, p.25) reported that “academic researchers are working to develop reliable measures of relationship outcomes that public relations professionals can use in everyday practice.” The development of the following attributes which were included in the questionnaire have created a replicable and reliable model for future use. The relationship management theoretical elements of mutual satisfaction and mutual understanding are difficult to conceptualise for the purposes of a questionnaire seeking responses from practical, financially savvy investors and analysts.
Therefore these attributes were discarded for the questionnaire. In this chapter the element of dialogue is discussed in detail and, as was explained, it would be difficult to evaluate this with investors and analysts as they are often not in a position to engage in sufficient dialogue with CEO’s to form strong views. Therefore this was not included in the development of the questionnaire. The variables that were included, and the reasons for their selection are below:

a) **Trust:** The second element, trust has a strong link with communication (Butler and Cantrell, 1994; Fombrun and Gardberg, 2000; Grunig and Huang, 2000; Bruning and Galloway, 2003). There is also a further strong link between trust and relationship management theory, so trustworthiness was included as a behaviour/attribute that could be ranked by the key external stakeholder group. Also trustworthiness is a very testable competency by key external stakeholders when they have to evaluate a CEO.

b) **Openness and transparency** are listed in section 5.5.4 as a combined grouping but for the questionnaire these elements were separated with transparency given its own space.

c) **Credibility** was defined from the research as a distinct attribute and can mean demonstrating reasonable behaviour (McCracken, 1989; Davies and Mian, 2010) and also has a strong link to communication. If a CEO is being perceived as credible then external stakeholders will react positively to the messages they deliver to the media and investors and analysts. Honesty, an associated behaviour, is a construct also discussed in the management/leadership literature (Davies, Chun, da Silva and Roper, 2004) and can apply to this analysis.

d) **Effective Listening:** (DeVito, 2013) was another behaviour strongly supported in the literature.

e) **truthfulness and transparency** are listed as an outcome from the literature review as a combined grouping but for the questionnaire, truthfulness and honesty were separated from transparency. This was done to differentiate between the two for the purposes of the quantitative survey.

f) **Ability to deliver a clear message:** comes from Lachotzki and Noteboom (2005) and Kouzes and Posner (2002), and the media commentator interviews.
g) The ability to deliver a vision was an attribute from the literature review and was often mentioned in the business media commentator transcripts, i.e. media commentator #4, “expect CEOs to use words such as vision and who are able to look forward”). Media commentator #5 said a CEO needed to deliver “in 25 words or less what they are doing, where they were adding value, why they were leading a valuable company, and what global factors challenged them.” Some of the CEO content analysis also had some of them referring to delivering a vision as an important component of their task.

h) Accessible, came from discussions by Pincus (1994), Lachotzki and Noteboom (2005), and Mai and Akerson (2003) where being accessible was deemed a core CEO responsibility.

i) Effectiveness was a behavioural attribute put forward by Spitzberg and Cupach (1994) and Spitzberg (1993, p.141) that delivered rewarding outcomes.

j) Consistency was mentioned by some of the business media commentators as an attribute they considered when reviewing what CEOs told them over time, and if they were consistent, they developed a higher level of trust in that CEO.

k) Respecting the opinions of others: is a demonstration of the construct of mindfulness (DeVito, 2013, p.11), where a person is conscious of the reasons for thinking or communicating in a particular way. Burgoon, Berger and Waldron (2000) make a number of suggestions specific to mindfulness and communication. As well as understanding the needs of the other party to the communication, a person needs to consider if their message is likely to be misinterpreted, consider how best to adapt a message to each particular situation, and to think before taking any action.

The next stage of this doctoral research, through identifying the core elements of a CEO’s communication behavioural attributes and confirming those competencies through intensive qualitative analysis, was to proceed to testing if the behavioural attributes could be ranked by one of the core external stakeholders.

5.6.2 Research design:

The behaviours and attributes produced from the qualitative research were then reviewed to form the basis for the quantitative research component. These behavioural...
attributes were developed into a set of questions for investors and analysts on the East-Coles database.

The six questions comprised:

**Question One**: Financial Performance- There is some literature on what elements of strategy analysts are seeking when they assess an organisation’s financial performance (Epstein and Palepu, 1999; Eberl and Schwaiger, 2005; and Orlitzky, Schmidt and Rynes, 2003). The Epsten and Palepu (1999) paper refers to the role of annual reports, private contacts and analyst briefings when communicating with this group of stakeholders. Therefore to seek which of these was the most important, the following question was designed:

- When assessing the financial performance of a company rank order the importance of the following: a) media commentary; b) annual and quarterly reports; c) reputation of the CEO; d) analysts’ reports; e) CEO communication with the media?

**Question Two**: CEO Communication Effectiveness: When assessing the effectiveness of a CEO who is communicating financial or strategic organisational information, how important are the following qualities? a) trustworthiness; b) transparency; c) credibility; d) listening ability; e) truthfulness/honesty; f) delivering a clear message; g) delivering a vision; h) being open and accessible; i) effectiveness; j) consistency; k) respecting the opinions of others

**Question Three**: CEO Reputation: When assessing the reputation of an organisation, how important is the CEO’s reputation? The scale was from 0 for unimportant to 4 for very important.

**Question Four**: CEO Communication on Stock Recommendation: To what extent does a CEO’s ability to communicate effectively influence your recommendations on the purchase, holding, or selling of a stock? The scale for this question was from 0 for not at all, through to 3, fairly strong and 4, very strong.
Question Five: Competent Communicator CEO's: Name three Australian publicly listed organisations that you consider are led by competent communicator CEOs (and also name the CEO).

Question Six: Demographics (were they an analyst or investor? What market segment did they work in?)

5.6.3 Sampling Technique:

As has been already been stated contact was made with a research firm (East Coles, www.eastcoles.com.au) that only deals with the investor/analyst community in Australia through regular surveys to assess the outstanding performers in financial markets. The research firm states they are the premier financial research firm in Australian equity markets, investment banking and corporate performance. They regularly publish the results of their research in the business and financial media. Therefore the population for the survey was clearly defined and able to be easily accessed through the research company. The questionnaire made it clear the answers would not be able to be identified, as the research company undertook to strip out any identification from respondents before passing the results to the researcher. The principal of the research firm said that if 30 responses were received that would cover more than 60% of the largest investor and analyst firms in Australia. The questionnaire was distributed to the 80 investors and analysts on their database and a total of 30 responses were received.

5.7 Rank ordering behavioural attributes:

5.7.1 Assessing the financial performance of a company:

Question one asked what did investors and analysts seek when assessing the financial performance of a company. The respondents were asked to rank the following variables:

a) media commentary regarding the company;

b) annual and quarterly reports;

c) the reputation of the CEO; and

d) analyst's reports.
The reputation of the CEO was rated very highly with 63% saying it was very important, and 26% stating it was somewhat important, making a total of 89% of respondents agreeing with this statement.

Close to 100% agreed annual and quarterly reports were the most important when seeking information about an organisation, with media commentary and analyst’s reports rating as somewhat unimportant.

**Question One: When assessing the financial performance of a company, how important are the following?**

*Where 0 = Unimportant; 1 = Somewhat Unimportant; 2 = Neither Important / Unimportant; 3 = Somewhat Important; 4 = Very Important*

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<tr>
<th>Resp</th>
<th>a) media commentary regarding the company</th>
<th>b) annual and quarterly reports</th>
<th>c) reputation of the CEO</th>
<th>d) Analyst reports</th>
<th>e) CEO communication with the media</th>
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5.7.2 What qualities were important in assessing the communication effectiveness of a CEO when communicating financial and or strategic organisational communication?

Question Two was designed to assist in answering the third Research Objective. The variables were sourced from the literature review (Chapter Two), the attributes framework (Chapter Four) and the findings from the media interviews. These were:

- trustworthiness,
- transparency,
- credibility,
- listening,
- truthfulness/honesty,
- delivering a clear message,
- delivering a vision,
- open and accessible,
- effectiveness,
- consistency and,
• respecting the opinion of others.

The Likert rating scale was from unimportant, to somewhat unimportant, to neither important nor unimportant, to somewhat important and very important. Thirty (30) responses were received. The highest rating was given to honesty (90.3%) followed by trustworthiness (83.9%), and transparency (80.6%). The other competencies were credibility (74.2%); consistency (61.3%); and delivering a vision (45.2%). From these responses it can be suggested that the communication behavioural attributes of a CEO played a significant role for investors and analysts when they were making decisions on investing in an organisation. It can also be posited that honesty, trustworthiness and transparency are core competencies that CEOs need to exhibit when dealing with the key external stakeholders of investors/analysts and the media (evidenced by the comments made in the interviews with the senior business media commentators). The data from Question Two follows:

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<tr>
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<th>a) trustworthiness</th>
<th>b) transparency</th>
<th>c) credibility</th>
<th>d) listening ability</th>
<th>e) truthfulness/honesty</th>
<th>f) ability to deliver a clear message</th>
<th>g) delivering a vision</th>
<th>h) open and accessible</th>
<th>i) effectiveness</th>
<th>j) consistency</th>
<th>k) respecting the opinions of others</th>
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169
5.7.3 Importance of CEO’s reputation and the reputation of an organisation:

When analysing the responses to Question Three, 14 of the respondents said it was very important, and the balance of the replies were that it was somewhat important. These responses therefore reinforce the discussion from chapter two on the linkage between the reputation of the CEO and the reputation of the organisation and how key external stakeholders. In this case investors and analysts have a very high regard for a CEO’s reputation when they are analysing all the facets of an organisation.

**Question Three: When assessing the reputation of an organisation, how important is the CEO’s reputation?**

*Where 0 = Unimportant; 1 = Somewhat Unimportant; 2 = Neither Important / Unimportant; 3 = Somewhat Important; 4 = Very Important*

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The next question asked to what extent did a CEO’s ability to communicate effectively influence recommendations on the purchase of a stock.

5.7.4 Effectiveness of CEO communication:

Question Four referred to what extent to which a CEO’s ability to communicate influenced an analyst or investor’s recommendation on purchasing, holding, or selling a stock. Sixteen respondents (53%) reported fairly strong as their response, five reported very strong (16%) and seven reported moderately strong (23%). Therefore 93% (28 respondents) rated a CEO’s ability to communicate as an important influence on them.
This response again emphasises the vital importance of a CEO having a high level of understanding of how this important external stakeholder group perceive them.

From this response it can be suggested that the CEO played a significant role for investors and analysts when they were making decisions on investing. It can also be posited that honesty, trustworthiness and transparency are core competencies that CEOs need to exhibit when dealing with core external stakeholders.

**Question Four: To what extent does a CEO’s ability to communicate effectively influence your recommendations on the purchase, holding, or selling of a stock?**

*Where 0 = Not at all; 1 = A little; 2 = Moderately; 3 = Fairly Strong; 4 = Very Strong*

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5.7.5 Competent communicator CEOs:

The outcomes from this question have been included in the specific analysis of each of the behavioural communication attributes discussed above. It is of value to tabulate some of the names against those CEOs identified earlier as being acknowledged as an effective communicator. There was a strong correlation between the CEO’s listed above and those selected by the investor/analyst stakeholders. Of the 17 CEO’s who meet the attribute criteria analysed in this chapter, 11 of them were nominated by the external stakeholder group. Richard Goyder (Wesfarmer’s CEO) received nine mentions, Mike Smith (ANZ) was mentioned seven times, Greg Kilmister of ALS received three nominations as did Gail Kelly (Westpac CEO) and David Thodey (Telstra). Other CEOs were Terry Davis (Coca-Cola Amatil), Ian Narev (Commonwealth Bank), Grant King (Origin), Brian Macnamee (former CSL CEO), Stuart Crosby (Computershare) and Chris Roberts (Cochlear).

5.8 Triangulating the data:

The communication behavioural attributes sought by external investor/analyst and media stakeholders when dealing with CEOs have been identified as an outcome of this comprehensive analysis of the management, leadership, organisational communication and public relations literature, and a field survey of one key external stakeholder group.

A process of triangulation (Denzin, 1978, p.291), quoted in Jick (1979, p. 602) is “the combination of methodologies in the study of the same phenomenon.” It is where more than one method is used to cross validate two or more separate data collections.
Jick (1979, p.608) states that triangulation provides researchers with important opportunities to become more confident of their results. “This is the overall strength of the multi-method design.”

In the case of this thesis, qualitative methods have been used to obtain data on what comprises CEO communication behavioural attributes and this has been discussed in detail in Chapters Two and Five. From these outcomes a series of questions were developed for answering by a key external stakeholder group.

From that analysis a matrix and a model of communication competencies for CEOs was developed to answer the research question. The next chapter finds if the four Research Objectives can be answered, and consequently the research question. A matrix of core CEO communication behavioural attributes are delivered, as well as how they might be implemented in the marketplace.
Chapter 6: Conclusions:

6.1 Introduction:

This research thesis has explored a new dimension of organisational communication and public relations relationship management through the lens of what communication behavioural attributes of a Chief Executive Officer are sought by key external stakeholders (investors and analysts and the media). Investors and analysts daily make decisions about whether they stay invested in a company or sell that investment and seek a new company in which to invest their funds. How they perceive the CEO is an important outcome from this research. The business media (whose reporting influences the public and other key stakeholders) are another key external stakeholder, and how a CEO is presented across all media platforms contributes to the reputation of the CEO and their organisation.

This thesis makes a significant contribution to the organisational communication, public relations, management and leadership literature as it defines for the first time what the core behavioural attributes external stakeholder groups look for when assessing the communication effectiveness of a CEO and the impact that it has on their decision making over leadership, reputation, value, and social responsibility. This thesis also confirms that one of the core public relations theories, that of relationship management, provides a frame for identifying what communication behavioural attributes are required by senior organisational leaders. The outcomes of this doctoral research provides a strong practical application of relationship management theory. It also explains the need for a new relational approach for CEOs and for them to break away from past communication concepts of command and control and embrace relationship management theory which requires them to be aware of what is needed to develop interactions with key external stakeholders.

It will be a central point of this concluding chapter that communication competence can be evaluated against standards developed from this research and that through adapting to specific contexts, a CEO can increase their communication competence to enhance their own reputation and also that of the organisation they are responsible for.
The behaviours/attributes identified from the literature, interviews and questionnaire, and underpinned through the relationship theory construct, do provide a strong basis for putting them forward as definitive outcomes that current and prospective CEO’s can utilise to their benefit.

6.2 The research question:

This chapter commences with a restatement of the research question and the four Research Objectives that were developed from the question. This narrative will then link the theoretical perspectives with the findings from the literature review, the interviews with the senior business media commentators and the analysis of the CEOs own statements on communication. These outcomes will then be tested against the field research with the investor/analyst stakeholders to find if the hypotheses have any validity.

**The research question:** What are the effective communication behavioural attributes of Chief Executive Officers when they deal with their key external stakeholders of investors (shareholders), analysts (those employed by institutions to advise on investment decisions), and the media (financial and business columnists)?

RO1: To investigate if the media, a key external stakeholder group, will view a CEO favourably if they perceive the CEO to demonstrate effective communication behavioural attributes of relationship building.

RO2: To explore how the media, a key external stakeholder group, views a CEO’s strong interpersonal communication skills of effective listening and how it contributes to their perceptions of a CEO’s communication attributes.

RO3: The media, a key external stakeholder group, will perceive a CEO favourably if they are open and trustworthy.

RO4: To investigate the views and opinions of financial investors and analysts with respect to how a CEO articulates a vision and if that communication attribute has any impact on their buy, sell, or hold recommendations.

RO4: Financial investors and financial analysts, a key external stakeholder group will recommend an organisation to be a worthwhile investment if they perceive the CEO to be an effective and credible communicator.
6.3 What is the evidence?

The communication behavioural attributes required by a CEO indicated through this thesis research have been demonstrated through the following:

a) the literature review (Chapter Two) identified competences that were principally anecdotal and which had not been subjected to academic scrutiny and research;

b) The words of CEOs themselves taken from a detailed content analysis of media interviews, transcripts, and other published sources, and these are analysed in Chapters Five.

c) Qualitative interviews with senior business media commentators who confirmed many of the behavioural attributes identified from the literature and content analysis (Chapter Five); and

d) Quantitative questions sent to stakeholder investors/analysts who rank ordered the competences and also highlighted the important role the CEO plays in their reviews of an organisation’s reputation and (Chapter Five).

6.4 The theoretical foundation:

Using relationship management theory (see the Chapter Three discussion and Ki and Hon, 2007; Bruning and Ledingham, 2000), the purpose of this doctoral research is to determine what communication behavioural attributes are valued by external stakeholders when dealing with CEOs. How can an individual’s interpersonal skills:

“enable the occurrence of certain outcomes that are judged interpersonally competent in a particular interactional context. Interpersonal skills can be defined as repeatable goal-directed behaviors, behavioral patterns, and behaviour sequences that are appropriate to the interactional context (Spitzberg, 2003, from Spitzberg and Cupach, 2011, p. 489).

Key external stakeholders look to CEOs to provide a competent analysis of the vision and values of the organisation, to protect its and their own reputation, and to articulate the business model and outcomes the organisation is seeking. Many of these communication effects occur at regular intervals in the business cycle. The senior business media commentators are constantly looking for any CEO signals that might presage a change of direction or market effects or responses that might be at variance with previous statements.
Investors and analysts meet regularly with CEOs and senior management to discuss the financial status of the organisation. To provide a constructive theoretical foundation for the conclusions the researcher commenced with Broom, Casey and Ritchey (2000) and Ledingham (2006) who used the constructs of antecedents, concepts and consequences to describe the foundations of a relationship framework. This research takes those frames and develops the hierarchy of core behaviours/attributes that external stakeholder’s value when assessing the communication attributes of a CEO. Recognition of relational antecedents, processes and consequences is discussed in detail in Chapter Three and expanded in Chapter Five to provide a practical measure for assessing and shaping the relationship elements of an overall CEOs communication competency.

6.4.1 Relationship antecedents:

“Relational antecedents” refers to the factors that join parties in a communication nexus. To meet the conditions of the theory, CEOs need to be aware of the perceptions their key external stakeholders hold of them when they plan any communication interaction with any one of these groups. CEOs need to be mindful (DeVito, 2013) of the expectations of these key external stakeholders and construct their communication to ensure any meaning they are communicating is understood between the parties to the communication. As has been discussed in Chapter Two, when a CEO is preparing for a quarterly briefing with analysts, they need to have a high level awareness of how they and their organisation is perceived by the analysts. As was clearly demonstrated in the quantitative research, 93% of respondents rated a CEO’s ability to communicate as an important influence on them. If a CEO does not meet this expectation then there is the potential for indifferent, poor or damaging reports. The senior business media commentators also had expectations of CEOs being transparent, genuine and honest in their dealings with them.

Therefore, the vital behavioural attributes that a CEO needs to consider is that transparency, honesty, and trustworthiness are highly valued. Therefore any communication needs to be unambiguous, testable and consistent. Being aware of meeting these antecedent conditions fulfils the condition of creating meaning from the communication relationship.
As well as the behavioural attributes that have been identified from this research, other measureable outcomes would be in the form of past positive media reports (which can lead to community support for socially responsible sponsorships or customers considering purchasing a product, or the organisation being viewed as a prospective employer). Other outcomes would be trust in a CEO by community groups regarding a communication about managing a potentially disruptive process based on past behaviours (i.e. building a large factory extension, or disposing of hazardous waste and being transparent, honest and genuine in their communication about the effects such matters might have on their reputation and that of the organisation). Invitations to speak at national and international conferences could arise as a consequence of previous positive media coverage of a CEO that demonstrated the CEO had a leading role in research and reports of the CEO leading the development of new methods of managing a business, or a CEO being nominated by business media for annual reviews of whom they considered to be effective CEOs. Positive analyst reports based on their perceptions of how effective a communicator a CEO is can result in satisfied investors holding onto their shares, or even purchasing more stock. Another measure would be investors making supportive comments about the CEO at annual meetings. Good relationships developed as a consequence of effective communication can also keep key external stakeholders from engaging in negative behaviours, such as protests or legal action (Hon and J.E. Grunig, 1999; http://www.aco.nato.int/resources/9/Conference%202011/Guidelines_Measuring_Relationships[1].pdf), accessed July 2013.

6.4.2 Concepts of relationships:

From the Broom, Casey and Ritchey (1997) model on which this discussion is based, communication behaviours that underpin relationship management are maintenance, cultivation and exchange factors. These behaviours can be managed and are also observable and testable. Wood (1995) further identified four dimensions of effective relationships that can contribute to successful relationships between CEOs and their key external stakeholders. These were investment (of time, energy and effort), commitment (evidence of a continuing desire to maintain the relationship), trust (can the parties rely on each other?) and awareness (understand the forces that might be working to undermine the relationship). Therefore a CEO needs to be aware that external
stakeholders will use these dimensions to measure how they are managing their communication.

From the literature review, the senior business media commentators, and the words of CEOs themselves, there is a similar pattern of demonstrated behaviours that meet this theoretical criteria. These are trust, satisfaction, commitment, and control mutuality (Wood, 1995; Ledingham and Bruning, 1998; Grunig, 1992; Ledingham, Bruning, Tomlinson and Lesko, 1997; and Ledingham, 2008). The interviews with the senior business media commentators as well as the content analysis of the CEO media interviews and presentations strongly supports the concepts of relationships as underpinning this thesis research.

The role of the CEO is continually being scrutinised by the media and business and leadership academics primarily around the many concepts of what comprises effective leadership (Waldman, Ramirez and House, 2001; Colbert, Kristof-Brown, Bradley and Barrick, 2008). Rarely does this research refer to, or even mention, the role of communication as an important variable when assessing what communication attributes external stakeholders’ value when assessing the ability of the CEO when managing relationships. As the research for this thesis has clearly demonstrated, the key external business media and investor/analyst stakeholders have provided evidence that effective CEO communication is a core element in how they perceive their relationships with CEOs.

This research, therefore, sought to establish what behavioural attributes external stakeholders required of a CEO.

As has been discussed above there are a number of variables that meet the relationship test. Hon and Grunig (1999) and Hung (2007) refer to either maintenance or cultivation strategies and Wood (1995), and other academics have listed the behavioural attributes of investment, commitment, trust, awareness, satisfaction and control mutuality. The senior business media commentators referred to managing relationships as a core behavioural attribute they expected from CEOs, and many of the transcripts of the statements of CEOs themselves referred to managing relationships as a core element of their job. Therefore relationships with key media and investors and analysts are vital to how a CEO is perceived by them. A CEO needs to be able to demonstrate mutual understanding and satisfaction, as well as trust, credibility and openness, to ensure those relationships remain
strong. It is incumbent on the CEO to understand what contributes to these relational communication factors and to maintain them over the time they are a CEO. These attributes being asked of a CEO are an addition to the literature on leadership competency and communication.

6.4.3 Consequences:

In todays’ more transparent and accountable business world, the consequences of all communication actions need to be high on the agenda of any CEO. The consequences of any relational breakdown between a CEO and their key external stakeholders can be dire. Examples such as Enron losing the trust of its employees, its investors, then the government, have become case studies for business, management and organisational communication scholars. A former CEO of Hewlett-Packard was also dismissed for inappropriate behaviour that attracted negative media attention and a subsequent fall in the stock price (http://www.businessinsider.com.au/backlash-against-hewlett-packard-grows-it-seems-mark-hurd-fired-because-company-scared-of-bad-pr-over-bogus-sexual-harassment-allegation-2010-8), accessed July 1, 2014. A former CEO of a large Australian department store, David Jones, damaged the reputation of a very exclusive brand when he was dismissed for inappropriate behaviour (http://www.theaustralian.com.au/archive/business-old/david-jones-ceo-mark-mcinnes-resigns-after-sexual-harassment-complaint/story-e6frg9h6-1225881225103, accessed June, 2013), and the CEO of BP was forced to resign after the Gulf of Mexico oil well explosion because of an apparent lack of understanding of the consequences for the company and its reputation. This has cost BP many millions of dollars in compensation and reputational damage that negatively impacted its share price (http://www.smh.com.au/environment/bp-to-sack-ceo-in-effort-to-rebuild-image-report-20100726-10qvb.html, accessed January 2012).

Consequences of a quality relationship between investors and analysts and a CEO would be found in positive reports about the organisation. Investors and analysts and business media commentators seek consistency in their communication interactions with CEOs. The ability to articulate a vision is also an important relational behavioural attribute that a CEO needs to be aware of when developing a communication strategy to deal with either of these two stakeholder groups.
6.5 Summary of theoretical perspectives and research outcomes:

From the detailed analysis of the above three relationship variables, it can be stated that they are a firm foundation on which to construct this thesis:

(a) CEOs need to know all the antecedents of their relationships with key stakeholders and understand the reasons that underpin their communication nexus with those stakeholders. They also need to be highly knowledgeable of the perceptions of those same stakeholders, so that, when they construct messages, the chances of meaningful communication are greatly enhanced. This research highlights the need for a CEO to be transparent, genuine and honest. Trust is another variable that a CEO must generate to be able to communicate effectively. A CEO’s communication advisor can do much of the research required to assist their CEO to understand the core attributes required for effective communication but a CEO also needs to have knowledge of them when it comes to understanding the communication environment they are engaging in when dealing with investors, analysts or the business media.

(b) The maintenance, cultivation and exchange elements of relationships often would be a normal part of a CEO’s job, but in the context of a communication interaction, there are specific behavioural attributes that are required. It requires the investment of time, a strong commitment to the relationship and its continuance, trust in the other party (and also generating trust in themselves), and awareness of what has created the relationship and what actions might derail it. These factors are not taught in business schools. Many of the CEO transcripts mentioned that they needed to understand the importance of managing relationships, and the business media commentators also referred to a relationship with CEOs as an important part of their ability to deal with them.

(c) The third theoretical element, consequences, is often ignored by CEOs, as has been demonstrated by many of them being dismissed by their board for a range of poor communication behaviours (not willing to engage with the media over issues and crisis matters; making inappropriate comments to politicians, or on social media; and being less than truthful to shareholders).
Therefore a CEO needs to implement a communication risk analysis before engaging in any relational behaviours with external stakeholders to ensure they are protecting and enhancing theirs and their organisation’s reputation.

6.6 Answering the Research Question:

Based on the research conducted for this thesis, it has become apparent that the communication behaviours and attributes of a CEO play a large role in how the organisation is perceived by key external stakeholder groups. For the first time a framework of CEO communication behavioural attributes has been be compiled so that that boards, executive search companies, ambitious leaders, and postgraduate teaching institutions can draw on them. In response to potential criticism of the mainly qualitative process involved in researching and writing this doctoral thesis, the researcher uses Daymon and Holloway’s (2011) analysis that “Careful articulation of the steps taken in the research process helps to clarify the quality of the study,” (2011, p.11), and “rich descriptions of what goes on in a particular context” highlight the core issues about the communication behavioural attributes required by a specific group of people when communicating with a CEO. It is argued that the detailed process of reading, distilling and interpreting the data to ascertain the behavioural attributes required meets the need of transparency (Daymon and Holloway, 2011, p.11). An audit trail is also explained in detail so readers can understand how the conclusions are arrived at. In regard to the quantitative aspects of this research, the questions could be distributed to a wider field of investors and analysts, but it is argued that as the leading investors and analysts in Australia have commented, a wider range of responses would not alter the outcomes. The chart below summarises all the behavioural attributes identified from all the sources:
From the analysis of the literature, the CEO material, and the business media commentator interviews, the most commonly valued competencies were trust, transparency and honesty. As defined in Chapter Two, communication attributes were: setting a vision (which implies a communication competence); liaison (external networking); monitoring (environmental scanning and asking questions and listening), and being a spokesperson (communicating externally). A CEO must sustain a corporate dialogue with key external stakeholders and be “responsible for guaranteeing the company’s integrity and transparency,” stated Lachotzki and Noteboom (2005, p.12). Emiliani (2003) observed that communication was a core leadership (and therefore a CEO) competency.

It can therefore be stated that a CEO must be perceived by external stakeholders to be trustworthy, transparent and honest, otherwise their reputation and that of the organisation they lead would be severely compromised. Credibility (ranked fourth by investors/analysts), is valued when a CEO communicates with a key external stakeholder, such as investor, or analyst, or a senior media figure, and they need to be very aware of what they say, how they say it, and continually test how their message is being received by the other parties to the relationship. One of the media interviewees (participant #4)

<table>
<thead>
<tr>
<th>Literature Review</th>
<th>Media Interviews</th>
<th>CEO content analysis</th>
<th>Investor/Analyst Ranking (in order)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being open</td>
<td>Being transparent</td>
<td>Being transparent</td>
<td>Trustworthiness</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>Being genuine</td>
<td>Trustworthiness</td>
<td>Being transparent</td>
</tr>
<tr>
<td>Being honesty</td>
<td>Being honest</td>
<td></td>
<td>Being credible</td>
</tr>
<tr>
<td>Relationship mgt</td>
<td>Relationship mgt</td>
<td>Relationship mgt</td>
<td>Effective listening</td>
</tr>
<tr>
<td>Communicating a vision</td>
<td>Communicating a vision</td>
<td>Delivering a vision</td>
<td>Being truthful</td>
</tr>
<tr>
<td>Effective listening</td>
<td>Answering directly</td>
<td>Effective listening</td>
<td>Delivering a clear message</td>
</tr>
<tr>
<td></td>
<td>Being consistent</td>
<td>Being consistent</td>
<td>Delivering a vision</td>
</tr>
<tr>
<td>Dialogic</td>
<td>Clear communication</td>
<td></td>
<td>Open, accessible</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Effective/consistent</td>
</tr>
</tbody>
</table>
referred to how they checked back on past CEO interviews to see if they remained credible in their responses.

Another core attribute is relationship management and this is ranked across four of the five sets of data collected. Effective relationship management requires reciprocity (based on listening, affirming, mutuality and co-operation) and dialogue, both of which have a base in communication behaviours. The other core words from the relationship management literature are “mutual satisfaction” and “mutual understanding” neither of which can be achieved without effective communication. Consistency was fifth on the investor/analyst competency rating, and this communication value is testable through reading annual and quarterly reports over time and checking them against preceding periods and also finding if the CEO’s statements were consistent over time. Analysts and investors are increasingly resorting to this method of analysis. Communicating a vision was highly valued by the media and the investors/analysts, and this requires the ability to simplify complex details and deliver outcomes to the satisfaction of everyone. These outcomes can be measured through positive media reports, supportive analysts’ reports and investors retaining their confidence in company and not selling their shares.

Therefore, the behavioural attributes of trustworthiness, transparency, credibility, listening, honesty, visionary, open and accessible, effective and consistent, and dialogic are the answers to the research question: *What are the effective communication behavioural attributes of Chief Executive Officers when they deal with their key external stakeholders of investors (shareholders), analysts (those employed by institutions to advise on investment decisions), and the media (financial and business columnists)??*

The next stage of the analysis of the conclusions was exploring if the Research Objectives had any validity:

**Research Objective #1:** Explore what behavioural communication attributes of a CEO are *valued* by media stakeholders when forming perceptions about a CEO’s relational capabilities.

**Research Objective #2:** Investigate how the media views a CEO’s communication attributes of, communication skills such as effective listening, openness, trustworthiness, and communicating a vision.
**Research Objective #3:** Investigate the CEO behavioural communication attributes sought by investors and analysts when recommending an organization as a financial investment.

**Research Objective #4:** Explore what behavioural communication attributes of a CEO are sought by investors and analysts when forming perceptions about a CEO’s reputational capabilities.

Testing the first Research Objective using the data from the senior business commentators media interviews, the media, will view a CEO favourably if they perceive the CEO to demonstrate communication attributes of relationship building, demonstrate strong interpersonal communication skills such as effective listening, and to be open and trustworthy, and communicate a vision. These outcomes also met Research Objective Two as an outcome of the media interviews was that dialogue (communication) was viewed by the majority of the business media commentators as a core behavioural attribute. The details of these elements of the media’s views is covered in Chapter Five. One example was the CEO of the Australian Westpac Bank who was described by Rogers, Meehan and Tanner (2006) as a relentless communicator and this was supported in the media interviews. The CEO of GE Australia was also singled out by the media as being strong at relationship building with them. The CEO of one of the other top four Australian banks was described by most of the media as being strong on delivering their vision for the organisation. The behavioural attributes of trust, openness, credibility (reputation) were all referred to by the majority of the senior media commentators as influencing how they perceived CEOs when reporting on them and these also meet Research Objective Two. One example from the research was the CEO of conglomerate Wesfarmers who referred to the ability to listen and one of the media respondents stated they looked for CEOs not to tell lies and that candour (openness) was a valued attribute.

For the third Research Objective, investors and analysts will recommend an organisation as a financial investment if they perceive the CEO to be an effective and credible communicator. In response to a question on whether the CEO’s communication competency influenced recommendations on purchasing, holding, or selling stock, 53% of respondents said it was fairly strong, and 16% responding it was very strong, making a total of 69% of respondents. A moderate influence was given by 23% of respondents, with six per cent saying it had no, or only a little effect. From these responses it can be
suggested that the CEO’s is perceived has having a significant role for investors and analysts when they consider decisions on investing in a company. Also the reputation of the CEO is a significant factor for the investors and analysts with a total of 89% agreeing this was a strong element when assessing the financial performance of a company.

There was a further link between the CEO’s communication effectiveness when investors and analysts were making recommendations on purchasing, holding or selling stock. Sixteen respondents (53%) reported fairly strong as their response, 16% reported very strong and 23% reported moderately strong. Therefore 93% rated a CEO’s ability to communicate as an important influence on them. This response again emphasises the vital importance of a CEO having a high level of understanding of how this important external stakeholder group perceive them. From this response it can be stated that the CEO played a significant role for investors and analysts when they were making decisions on investing.

The fourth Research Objective, on reputational capabilities has only recently been discussed in the business media. Makovksy (2013) reported on a study that linked a strong relationship between the tone of media reports about a CEO and the tone of media reports about the company. The study drew a conclusion that if the CEO was getting negative publicity, it would hard to generate anything positive on the organisation. A study by Lee (2012) drew a positive correlation between CEO visibility and the visibility of the organisation they were responsible for.

In 2001 (http://www.ceoforum.com.au/downloads/CorpRepResearchReport.pdf, accessed July, 2013), a survey of senior media and financial analysts found that Australian CEOs did not pay enough attention to their image. The same group were also asked to rate the most important characteristic. Credibility rated the highest. It is validating to note that over a decade later, the research for this thesis found that an external stakeholder group also ranked credibility highly (74.2%). Communication elements from the analysis of the 36 senior business media interviews ranked communicating a vision to the media highly (fifth) and communicating to shareholders was another top rated attribute (12th). Having good interpersonal skills was also listed as a valued characteristic by the business media commentators. This same study reported that CEO reputation was strongly linked to media and financial analyst perceptions of their companies.
6.7 A communication behavioural attribute and competency framework:

CEOs by the nature of their work, have to manage “intricate networks of overlapping jurisdictions and relationships.” (Allen and Critchlow, 2009, p.1). “To a greater extent than ever, CEOs bear the weight of the world on their shoulders.” These quotes highlight the pressures faced by CEOs who are driven by the market to increase shareholder value and play a leadership role. This aspect of the CEO leadership role is discussed in depth in Chapter One.

Their time is precious and it is a constant juggle to manage both internal and key external stakeholders (investors, analysts, governments, suppliers, customers, communities, and activists). Communicating strategy internally and externally; simplifying business complexity so investors can understand where the CEO is taking the organisation; fending off competitors, or prospective takeovers, all require a detailed understanding of how to construct meaning. Unless this communicative skill is inherent, or learned and understood, the CEO is at a disadvantage. Negative rumours or misreporting, for example, can derail a communication strategy, and therefore the CEO needs to have the necessary skills to construct appropriate responses (Hart and Quinn, 1993; Minzberg, 1973, 1975; Pincus, 1994; Lachotzki and Noteboom, 2005).

CEO’s cannot totally rely on their communication advisors as the market looks to them (the CEO) to voice the vision, explicate the strategy, and enact the tactics. “Clear, simple themes also help CEOs to win over investors and analysts. I’ve spent a lot of time educating investors, said the CEO of a consumer products company,” (Allen and Critchlow, 2009, p.6). These two authors, representatives of a major international business management organisation, also said CEOs needed a clearly defined, easily communicated strategy. The questions then are: how can CEOs know how to develop the most appropriate communication skills? What training do they receive, or need? How can they find out their own level of competence? How can they test the receptivity of their communication?

From this detailed analysis of communication behavioural attributes creating an overall CEO communication competency, a basic framework is constructed that will ensure the required attributes are factored into a range of measures that can be utilised for graduate
management training, human resource workshops, executive search assessment profiles, and in future management texts and also leadership books.

This framework will be offered to executive search organisations and boards so they have a set of standards against which to evaluate future CEO capabilities, as stated by Daymon and Holloway (2011, p.11) such research helps "illuminate important issues."

Table Seven: Building and evaluating a communication behavioural attributes framework:

<table>
<thead>
<tr>
<th>CEO communication behavioural attribute</th>
<th>How to evaluate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate transparency, be perceived as genuine, honesty (be unambiguous, and consistent)</td>
<td>Review media coverage; speak to senior media; interview analysts; independent research firms; assess veracity of public statements</td>
</tr>
<tr>
<td>Trust</td>
<td>Interview senior media and analysts; interview other key stakeholders</td>
</tr>
<tr>
<td>Effective communication</td>
<td>Review media coverage; seek comments from investors/analysts; interview major suppliers/clients</td>
</tr>
<tr>
<td>Managing relationships (testing commitment, trustworthiness, awareness, satisfaction; and testing maintenance and cultivation strategies)</td>
<td>Interview peers/suppliers/investors, analysts/media;</td>
</tr>
<tr>
<td>Consistency</td>
<td>Interview senior media; purchase EAST Coles CEO research; check for consistency of messages across all external communication</td>
</tr>
<tr>
<td>Credibility</td>
<td>Review media coverage; interview investors</td>
</tr>
<tr>
<td>Communicating a vision</td>
<td>Interview investors/analysts; senior media;</td>
</tr>
<tr>
<td>Reputational factors</td>
<td>Interview investors/analysts; interview senior business media; review media coverage (all channels)</td>
</tr>
</tbody>
</table>
This thesis provides a detailed response to the research question, but there are still questions as to how prospective CEOs might attain the skills required to be an effective communicator with key external stakeholders.

6.8 What have I concluded?

In the introduction to this doctoral thesis I set out what had created my interest in the research question, and how various CEOs I had worked for demonstrated a range of communication behavioural competencies when dealing with the media, financial analysts, governments and communities. The outcomes from those interactions highlighted to me that in most cases the CEO had very little awareness of what communication competencies were needed to protect theirs and their organisation’s reputation and also what was needed to develop and maintain positive relationships with key external stakeholders.

My interest in relationship management theory as the basis for effective public relations and organisational communication stemmed from my public relations research and teaching over the past 14 years and created the theoretical foundation for the thesis research. It had become apparent to me after reading the work of Bruning and Ledingham (2000, 2008); Broom, Casey and Ritchey (1997, 2000); Bruning (2004) and Ledingham (2001, 2008) that effective communication needs to be based on a relational understanding by all parties to the communicative interaction. Today’s CEO must manage a wide range of stakeholders (internal and external) and their communication performance is constantly on public view and is continually being analysed by key external stakeholders (investors/analysts and the media). What do these stakeholders look for in a CEO as the communicator of an organisation’s business planning and strategy? What communication attributes will create a sense of trust in the CEO by these external stakeholders? How does a CEO manage theirs and their organisation’s reputation? This research identified from a wide range of literature (business and academic) that certain leadership communicative attributes were consistently identified and that these needed to be tested with those external stakeholders whose perceptions were vital to an organisation’s financial and social viability. The relationship management theory research provides the framework against which the attributes were tested.
The outcomes of this research are that CEO’s need to be aware of how their communication attributes are received by external stakeholders because they play an important part in the management of external stakeholder perceptions.

These behaviours are not taught in business school nor the subject of director and leadership forums, yet the results from the senior media commentator interviews and the survey of the leading investor and analysts demonstrates clearly that the behavioural attributes play an important role in how CEOs are reported in the media and also in investment decision-making by investors and analysts. Therefore my suggestions are that specific communication awareness subjects be introduced to Australian business schools and that training sessions be organised with the Company Directors organisation to ensure those that select future CEOs have a further criteria to measure candidates against.

6.9 Recommendations:

There are business school management curriculum issues that are beyond the scope of this thesis. However recommendations are made, that if taken up by business schools, will ensure CEOs of the future have the requisite understanding of what core communication competencies will contribute to their ongoing success. At present Charles Sturt University offers a subject, Interpersonal Communication, at a Masters level. This subject is always given high ratings by students and the feedback is overwhelmingly positive. These responses point to a need to introduce similar subjects in the business school curriculum so that prospective leaders get introduced early in the study to the concepts and benefits of effective communication competencies. Graduate management schools in Australia could consider including specific communication competency training in their curriculum to ensure future leaders understand the need to carefully consider how they construct meaning and to consider the communication needs of key external stakeholders. Case studies of effective communication outcomes by CEOs, as well as poor examples would also help draw attention to the vital importance of being an effective communicator.

A second point that is briefly introduced but not covered in this thesis and which warrants further research, is testing the link between a CEO who is perceived as an effective communicator and the financial performance of their organisation. In Chapter Two there is
reference to a number of CEOs who made the communicator list for this research and who also managed very successful companies, that in many cases exceeded market indexes. This field would be a very useful higher degree research opportunity for a business and a communication academic.

There is also the opportunity to brief executive search companies and human resource directors on the outcomes of this research so they can develop training programmes that will ensure future leaders understand and acknowledge the need for specific communication competencies as they rise through the ranks. It is suggested that a specific software programme could be developed for use by executive search companies that could test the perceptions of CEO applicants of the concepts developed as a consequence of this research. A multiple-choice format could allow candidates to rank order the behavioural attributes and also express their understanding of what they considered to be the core elements of dealing with key external stakeholders. A short scenario that takes into account some of the elements of the behavioural attributes could also be developed to test awareness of how effective communication would contribute to an outcome that demonstrates an awareness of it in a practical application.

Groysberg and Slind (2012, p. 130) provide another perspective on how to manage aspects of communicating with key external stakeholders. Their proposition is that CEOs need to firstly communicate with their “most intimate core audience” and then use those influencers to spread the message internally, then employees and then investors, opinion leaders and media representatives. The concept of being trusted as “corporate envoys without portfolio (p. 131) is put forward as a proposition. This type of communication activity requires the skilled expertise and advice of a communication advisor before a CEO implements such a policy. There many political advantages and disadvantages from following this line of communication inquiry and should be the agenda for a CEO and their communication staff.

6.10 Reflections:

The journey toward a conclusion for this doctoral thesis filled the researcher with a deep sense of apprehension. This research journey started as a question derived from many years of being at the forefront of corporate communication issues as a senior practitioner. During the heat of day to day issues and media and employee
communication management, it was difficult to take time to reflect on CEOs the researcher had worked with and how they managed their communication. One CEO in particular was very effective at engaging senior management in his vision, and also excelled in relationships in the front line of communication with the media and governments.

The replacement CEO managed to rankle senior media commentators, government leaders and other key stakeholders, and this created a gradual stream of negative media until the board decided to terminate the tenure. It took two further CEOs before investor, media and government trust was rebuilt. One of the media commentators interviewed stated that this same organisation is still in a trust-rebuilding phase with the media.

When initially investigating what topics to research for a doctoral thesis, as stated in Chapter One, it became apparent that there was some correlation between those CEOs who were treated favourably in media and analyst reports and the success of their organisation. Subsequent discussions on the topic of this thesis with business and leadership academics and also conversing with senior executive search leaders, the response often was, surely that question has been researched, and that core communication attributes were a known in the management/leadership field. The more the researcher read academic journals across leadership, management, human resources, organisational communication, and industrial relations, there were no specific studies into the question. The researcher then asked the question, why was this the case? Was it because communication with key external stakeholders was not deemed to be a vital leadership competency? Was it because of an assumption that as an individual rose through the ranks they were assumed to be good communicators? Was it because communication was not valued by boards as being a core skill that a CEO should possess, when they were looking for an effective manager of strategy, manufacturing, finance, human resources or marketing?

Yet, to be successful at these managerial tasks, communication is the only means of ensuring that meanings can be constructed, then conveyed, responded to, and outcomes delivered that meet the needs of all parties. As has been previously stated there have been a number of examples of former CEOs who through poor or inadequate communication have been dismissed from their posts. It gradually became apparent from the literature that communication was a core leadership competency but it had not been subjected to a detailed academic review. Therefore the decision was made to pursue the
research question. The research has delivered an outcome that fills a gap in the management, leadership, organisational communication and public relations literature, and provides a framework for a model that can be utilised in the marketplace.

This quote from Hantho, Jensen and Malterud (2002, p.20), in my view describes the outcomes of this research thesis:

“By ‘communication model’, we mean a theoretical framework which can be applied to describe and analyse the dialogue between patient and doctor. A communication model is a tool by which to identify and evaluate significant factors that might shape the course and outcome of the consultation in relation to certain specified goals. Unless the model is developed for research purposes, it must be adequate and feasible for the busy life of the practitioner. A model for everyday practice must be simple and brief and readily applicable in most types of consultation. It should also act as a point of departure for solitary reflection, discussions with colleagues, and further development of communication skills.”

The communication model of Hantho, Jensen and Malterud (2002) is designed to focus on mutual understanding, which is also an outcome that will be delivered by those CEOs and prospective CEOs who commit to the communication behavioural attributes identified from this research. The framework in Table Seven provides a matrix whereby future boards of organisations could assess the communication potential and competencies of prospective CEOs, or business schools develop subjects to ensure graduates have a higher awareness of the importance of communication as a core CEO skill. The CEO communication framework meets the Hantho et al (2002) tests of “adequate and feasible”, “simple and brief” and would lead to “the further development of communication skills.”
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Organizational Communication Research Center (http://www.instituteforpr.org/organizational-communication-research/about); accessed July 25, 2014.


Appendix One - Refereed ANZCA paper

Reframing Leadership Communication: Consequences for Organisational Leaders Resulting from Communication Failure: An Australian Case Study

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Abstract The failure of organisational leaders to communicate with business analysts, key media and staff can lead to an erosion of reputation, a reduction in social capital, as well as a major fall in the value of financial capital. This can result in subsequent negative consequences for staff morale and relationships with a wide range of key publics. A developing field of communication and management research suggests that organisational leaders must have the skills and commitment to be as effective in communicating as is their stewardship of the financial, sales, manufacturing, marketing, and human resource functions of the organisation. Research of a wide selection of management texts identified a number of core communication attributes that effective Chief Executive Officers should have as part of their set of leadership skills. Using an Australian case study, and a content analysis of two substantial public documents, a conclusion is drawn that had the Chief Executive Officer in the study been aware of the consequences of the failure to communicate with key publics such as shareholders, governments, victim organisations, communities, the media and market analysts, the outcomes for the individual and the organisation may have been different.

Using Bolman and Deal's (1997) Four Framework Model, the paper assesses if communication effectiveness as discussed in this paper fits within the authors’ framework methodology, and if not, whether communication needs to be added as a further dimension in utilising the Model for assessing key leadership characteristics.

Keywords: Leadership, communication failure, Management

Introduction

The Chief Executive Officer (leader) as communicator is a subject rarely discussed in management texts, especially the requirements for effective external communicative relationships. The role of communication as a process is, however, extensively analysed in communication, public relations and management texts. This includes such techniques as the most effective means of writing memorandums, conducting meetings, briefing large groups or presenting board papers (Taylor, 2005; Searles, 2006; Ettinger and Perfetto, 2006; Eunson, 2005; and Mohan, McGregor, Saunders and Archee, 2004).

Researchers in the field of organisational communication have extensively assessed the impact of effective internal communication, and organisational communication theory informs of the value of effective internal communication in terms of productivity increases and higher levels of staff morale. David Morgan, the managing director (and CEO) of Westpac, a major Australian bank, on 12 April, 2006, said changes in culture in recent years had increased staff retention rates, saving the bank about $50 million in associated costs a year (The Age, 12 April, 2006). The former Westpac Head of Group Internal Communications, Lorraine Lennon, told the author in May 2005, that these changes were all communication-driven. In April 2006 in a
presentation on the bank’s website (www.westpac.com.au) it was reported that employee commitment at the bank showed 69% of employees reported a positive score. This outstripped the median for global financial services companies (66 %), and for large Australian companies (64 %).

Goldhaber (1993) reports a study by Katz, Bienstock and Faerstein where a positive reinforcement programme based on improved communication between staff and managers, resulted in a rise in sales, savings over three years amounting to $3 million, and where standards of customer service were met 90 to 95 per cent of the time (compared with 30-40 per cent previously).

This study, however, is concerned with external publics and the impact of non-communication with key stakeholders by a CEO. A small group of management writers (Pincus and deBonis, 2004; Puth, 2002; Mai and Akerson, 2003) have commented that communication can materially affect relationships between CEOs and shareholders, suppliers, customers, governments and communities. A United States CEO, Ray Hawley, quoted by Pincus (1994:116) says, "Our ability (as CEOs) to communicate effectively, as opposed to just communicating, makes a big difference in results- and that's true internally as well as externally".

The field of management studies has mainly been the domain of researchers from business. Dubrin & Dalglis (2003, p3) state “About 35 000 research articles, magazine articles, and books have been written about leadership.” Leadership deals with change, inspiration, motivation and influence. It is argued that all these aspects of leadership have a strong communicative aspect to them.

Numerous leadership styles have been comprehensively analysed and researched and many theories developed as a consequence. Charismatic, inspirational, visionary, transformational, transactional, contingency, situational, and strategic are just some of the terms used to describe various facets of leadership. The recent literature (Bennis, Spreitzer and Cummings, 2001; Dubrin and Dalglis, 2003; Bass, 1990; Moore and Sonsino, 2003; Overton, 2002; Maak and Pless, 2006; Hargreaves, 2006; Grin, 2005) on leadership in management texts discusses how these attributes can be assessed and potential leaders trained and inculcated with the skills to be effective leaders. However, there is minimal discussion or attention paid in any of these writings to the requirement of communication as a core management discipline (Grunig & Grunig and Ehling, 1992; Oliver, 2000, and Argenti, 2003). Communication is a management responsibility (Robertson, 2003; Hackman and Johnson, 2004), and delivery styles of communication can have a positive or negative influence on a wide range of external stakeholders, leaders must be aware of their responsibility to manage this aspect of their stewardship.

It is the premise of this paper that organisational leaders (Chief Executive Officers) must be highly competent communicators, particularly with the wide range of external stakeholders they have to manage. They need to have knowledge and a high level of understanding of communication practice to manage the myriad of interests and publics than can impact on business goals.

Lachotzki and Noteboom (2005:128), refer to the need for a CEO to also be the prime communicator, an individual who understands that it is not
just their stewardship of finance, production, sales and marketing and human resources that makes for organisational success. "As the CEO is also the person responsible for sustaining the corporate dialogue, he must convince his (outside) board as well as any stakeholders that he feels responsible for guaranteeing the company’s integrity and transparency." Further, Pincus (1994:16) argues for the concept of the CEO as Chief Communication Officer (CCO), with the functions of being the principal communication strategist, "who grasps and relies on the communication process" and who is also a communication tactician, "who knows how and when to employ different types of communication."

Leaders states Puth (2002:12) see communication as one of a number of functions; yet, the author writes, it still remains a difficulty for leaders to communicate effectively and to ensure that meaning is shared. "Good leaders are inclined to have a better understanding of communication and an ability to communicate well in interpersonal and group situations." Puth also argues that if people and leaders are inept communicators, "the general level of communication will remain poor." These comments also apply to CEO's.

**Thematic Analysis**

As a first step in researching the attributes of effective CEO communicators, a thematic analysis was initiated with the purpose of identifying the key attributes of communicative success when dealing with the external environment. Concepts were recorded that could be included in a matrix of key terms by which CEOs could be recognised for their ability to lead organisations successfully. The following five communication behaviours were the most significant effective attributes identified:

**Dialogue**

Successful CEOs are great communicators with a vision that they can translate into a common cause note Lachotzki and Noteboom (2005:18). They state, "This is where dialogue fits in. Dialogue is the vehicle that creates focus and turns fear into shared uncertainty." Moore and Sonsino (2003:76) support this view: "To be an effective leader ..., requires the desire to communicate and the skill to engage in dialogue" and that "very few people are explicitly taught how to talk, persuade or listen (p4)." The authors also quote Bijur from Dauphinais (2000:76) "to be an effective leader... requires the desire to communicate and the skill to engage in dialogue." Fairhurst and Starr (1996:226) state: "Leadership is about taking the risk of managing meaning. We assume a leadership role, indeed we become leaders, through our ability to decipher and communicate meanings of complex and confusing situations. Our communications actually do the work of leadership; our talk is the resource we use to get others to act."

**Listening**

Hackman and Johnson (2004) discuss communication attributes as seeking feedback, having listening as a primary skill, creating and maintaining satisfying relationships with internal and external groupings, engendering a trusting work environment and being collaborative. Further reinforcement on the need for effective listening is provided by Moore and Sonsino (2003:28) where they state "listening is different from hearing" and that it requires the seeking of common ground and the building of meaning through conversation. The authors write that the criticism most often levelled at senior executives is that they don't listen. Lachotzki and Noteboom (2005:128-129) refer to CEO's
making a difference by embracing the corporate dialogue which includes, “listening intently to what people within his company think-about the strategy, about execution and maybe about themselves.”

**Openness/Honesty/Trust**
Lachotzki and Noteboom (2005:142) write that modern CEOs need to “communicate in a language suited to the company’s values and norms, a language that represents a culture of openness and integrity, of checks and balances, and not one of sweeping things under the carpet.” and “The CEO must accept that openness, honesty and transparency are part of his responsibility.”(p125). Effective leadership is based on relationship building, engagement, high trust levels, information being freely shared, mutual education and feedback according to Mai and Akerson (2003). They also refer to the role of trust and of leaders being open, honest and fair. Mai and Akerson also refer to the Enron example where trust was eroded with substantial damage to the reputation of the organisation and the consequent disappearance of Arthur Andersen, one of the world’s largest accounting firms, which was caught in the scandal. “How leaders communicate with their people is clearly key to how trustworthy they appear and well they in turn extend trust to employees (p23).”

**Relationship Management**
Bolman and Deal (1997:294) state leadership “exists only in relationships and in the imagination and perception of the engaged parties.” Other behaviours, according to the authors, are to persuade or inspire, “get things done” and produce cooperative efforts. Kotter (1988) also views leadership as building relationships and Gardner (1969), quoted by Bolman and Deal (1997) refers to long-term thinking, looking outside as well as inside and dealing with multiple constituencies.

**Communicating A Vision**
A core attribute of an effective CEO as discussed by Bass (1985) and Bolman and Deal (1997) is the ability to communicate a vision for the organisation. Bass (1985:55) quotes Bennis (1982) who concluded from a study of 80 CEOs and innovative organisational leaders that a core characteristic was ‘the capacity to create and communicate a compelling vision of a desired state of affairs.’ CEOs could communicate their vision to clarify it and induce the commitment of their multiple constituencies to maintaining the organization’s course.

**Ineffective Communication Behaviours**
On the opposite side of the effectiveness coin is the negative discourse. “In communications among members, “zero feedback” was accompanied by low confidence and hostility; “free feedback” was accompanied by high confidence and amity, wrote Bass (1976:127). Directive, coercive, and controlling actions just did not seem to work, stated Moore and Sonsino (2003:146). “To grow and prosper, contemporary breeds of top dogs should be more responsive, collaborative, visible, inspirational, and communicative than their predecessors-and less authoritarian, isolated, secretive, rigid, and formal,” says Pincus and DeBonis (1994:20). The key concepts, therefore, to emerge from this analysis are:

- Dialogue
- Listening
- Trust
- Openness/transparency
- Relationship management
- Visionary

These terms will be tested within the Bolman and Deal (1997) effective leadership framework.

**Framing Effective Leadership Communication**

“Because the world of human experience is so complex and ambiguous, frames of reference shape how situations are defined and determine what actions are taken (Bolman and Deal, 1991:510). Framing is a technique used to structure disparate pieces of information into a meaningful structure (Patel and Xavier, 2005). Goffman (1974), is stated by Simon and Xenos (2000) as being the first to introduce framing as a means of organising and packaging information and the authors quote Minsky (1975) as defining a frame as a template or data structure that organises “pieces of information (p366).” Bolman and Deal (1997) follow Goffman and use frames to consolidate schools of organisational thought into four perspectives. They argue frames create a mental model to assist managers to gather information, make judgments and determine how best to get things done. Nelson and Kinder (1996:1057) state, “frames are constructions of the issue: they spell out the essence of the problem, suggest how it should be thought about, and may go so far as to recommend what (if anything) should be done.” Bolman and Deal (1984, 1991) divides theories of organisations into four conceptual perspectives (or frames), which are defined as structural (based on organisational goals, roles and technology), human resources (interdependence between people and organisations), political (power, conflict and the distribution of scarce resources), and symbolic (problems of meaning). The authors, and other reviewers (Scarselletta, 2004), state that framing theory provides a systematic viewpoint for “managers to understand and combat the various problems they encounter at work from a variety of different perspectives” (Scarselletta, p342). Using a United States educational institution faced with a significant need to make changes to manage a new external environment, Israel and Kasper (2004) analysed each of the four frames and identified the management characteristics of each frame. This analysis is used as a further means of identifying if any communication attributes could be found as core facets of each frame.

Israel and Kasper found a structural frame was needed in the initial stages of the change programme “to keep the organisation heading in the right direction” and a “top-down leadership style was the most appropriate.” Bolman and Deal (1997:303) state the most effective structural leadership attributes are as an analyst and architect, and the most ineffective was when acting as a petty tyrant or a rigid bureaucrat. Israel and Kasper (2004:18) then refer to the organisation then moving to a second phase which required a human resources focus. Effective human resource leaders, they state are catalysts, facilitators, “who provide ample time, without competing distractions, for real conversation to occur.” This lessened the chances for surprise, deception and ambiguity to occur in relation to the programme.

Bolman and Deal (1997) argue that ineffective human resource leaders are weak, get pushed around and abdicate their responsibilities. Israel and Kasper then point to the change programme moving to another level which
required the use of political skills and this required a further switch to a political frame to handle a number of competing interests.

Careful management of communication with each stakeholder group was needed which required honesty and ethical behaviour when representing each group to the wider organisation. Effective political leadership is based on being an advocate and negotiator (Bolman and Deal, 1997), with manipulation, fraud, and thuggery being characteristics of the ineffectual leader. The Israel and Kasper example ends with the leader having to reframe again, using a symbolic process to celebrate the successful completion of the programme and ensure that all participants had a degree of ownership and were seen take their work into the public arena. Honest communications were also honoured and valued. Bolman and Deal's (1997:303) characteristics of an effective symbolic leader are as a prophet and a source of inspiration. Ineffective leaders in this frame were fanatics and fools and built their processes on smoke and mirrors. This article assisted with further analysis of the Bolman and Deal (1984, 1991) framework and if communication factors were being considered in their assessment of effective leadership.

Case Study: James Hardie Industries CEO

James Hardie Industries was a miner and manufacturer of asbestos products in Australia from 1917 to 1987 (Watson, 2006). It was found that asbestos is one of the causes of the lung disease mesothelioma and increasing quantities of negative publicity about James Hardie industries and its CEO started to be published in late 2003 for attempts by the organisation to evade responsibility for its asbestos history. This involved the company seeking to wind up its Australian affairs and relocate its head office to the Netherlands, for the purpose, it transpired, to quarantine its financial obligations under Australian law to compensate asbestos victims. The company also created the Medical Research and Compensation Foundation which was to have future responsibility for funding medical claims from asbestos victims.

From a research perspective, past organisational reputation issues such as Herron Pharmaceutical (alleged tampering with tablets), Arnott's (alleged tampering with biscuits) and Ansett Industries (missed maintenance leading to aircraft being grounded by the authorities) were directly linked to the brand and how senior management handled these within a crisis management schema. In the Herron and Arnott's cases, the CEOs very quickly went public and took steps to remove products from the public. For Ansett, the CEO failed to appear before the media to answer to questions about the organisation's response (Watson, 2006). In the James Hardie situation it was apparent the CEOs non communication with media, shareholders, and the community was creating significant negative responses from the New South Wales State Government, Federal Government, all sections of the media, not just the financial specialists, and the wider community.

As a consequence of further research to assess the core attributes of an effective CEO communicator, the literature on framing appeared to offer one methodology for assessing the communication behaviour of the James Hardie Industries CEO. Peter Donald Macdonald commenced as CEO of James Hardie Industries on 31 October, 1999 and resigned in late 2004 following the report of the New South Wales Government's Jackson
Commission (The Special Commission of Inquiry into the Medical Research and Compensation Foundation, September, 2004).

**Methodology**

A content analysis was chosen as the most appropriate social science method for systematically mapping large bodies of text to find the key concepts identified from the thematic analysis and study of the Bolman and Deal (1984, 1991) framework (Hansen, Cottle, Negrine and Newbold, 1988). Two sources were identified as most appropriate as they contained substantial records of Peter Macdonald’s own words from board papers, internal correspondence, interviews with staff and his own evidence. The transcript of the Report of the Special Commission of Inquiry into the Medical Research and Compensation Foundation, September 2004 was assessed and Haigh’s (2005) book *Asbestos House: The secret history of James Hardie Industries*, was also analysed. The content analysis was used to assess the terminology used to describe how the CEO, Peter Donald Macdonald, publicly and communicatively managed a major external issue with key external publics/stakeholders (as one of the key functions of a CEO is to represent the organisation) over the period October 1999 to 2004. What are the dimensions chosen for analysis? Identify and count the occurrence of specific characteristics or dimensions of texts, and through this, to be able to say something about the messages, representations of such texts and their wider social significance (Hansen, Cottle, Negrine and Newbold, 1998, p.95). Based on the research described above, the characteristics which were singled out for analysis related directly to the overall research questions that prompted the choice of content analysis in the first place.

The concepts extracted from the thematic analysis were listed with the descriptions used by Bolman and Deal (1997) to describe effective and ineffective leadership characteristics. Table One lists those concepts identified from the thematic analysis and the Bolman and Deal (1997, 1991) framework.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Source</th>
<th>Antonym</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialogue</td>
<td>Thematic analysis</td>
<td>Closed/uncommunicative</td>
</tr>
<tr>
<td>Listening</td>
<td>Thematic analysis</td>
<td>Shun/neglect</td>
</tr>
<tr>
<td>Honest</td>
<td>Thematic analysis</td>
<td>Dishonest/deceptive/manipulative</td>
</tr>
<tr>
<td>Open</td>
<td>Thematic analysis</td>
<td>Closed</td>
</tr>
<tr>
<td>Trust</td>
<td>Thematic analysis</td>
<td>Detract</td>
</tr>
<tr>
<td>Visionary/prophet</td>
<td>Thematic analysis/Bolman &amp; Deal</td>
<td>Realist</td>
</tr>
<tr>
<td>Relationship management</td>
<td>Thematic analysis</td>
<td>Defensive/closed</td>
</tr>
<tr>
<td>Fraud</td>
<td>Bolman &amp; Deal</td>
<td>Truth/honest/integrity</td>
</tr>
<tr>
<td>Petty/trivial</td>
<td>Bolman &amp; Deal</td>
<td>Important</td>
</tr>
<tr>
<td>Weak</td>
<td>Bolman &amp; Deal</td>
<td>Strong</td>
</tr>
<tr>
<td>Fanatic</td>
<td>Bolman &amp; Deal</td>
<td>Conservative</td>
</tr>
<tr>
<td>Architect</td>
<td>Bolman &amp; Deal</td>
<td>Destructive</td>
</tr>
<tr>
<td>Catalyst</td>
<td>Bolman &amp; Deal</td>
<td>Obstructive/defensive</td>
</tr>
</tbody>
</table>

These words were then recorded on a spreadsheet and every instance of them being used in both the Commission’s findings and the Haigh book was entered.
Content Analysis
The content analysis highlighted the following points:

- There were no references to dialogue (in either the thematic analysis or the content analysis) but there were 11 references to "closed" communication behaviour, such as "resisted communication attempts," Commission (2004: 482); "very insular" Haigh (2006:281); "he had a flair for secrecy", Haigh (2005:208); "oyster-like on matters of corporate deliberation" Haigh (2005:345) and "no communication with Medical Research and Compensation Foundation for now," Commission (2004:519).

- There were no references to listening or trust as identified in the thematic analysis. But the content analysis identified seven instances of behaviours which could be labelled as obfuscatory and five which were ambiguous. Neither of these are conducive to effective communication (Mohan et al,2004)

- There were 11 references to dishonest behaviour, and 11 separate references to deceptive behaviour. Examples were, "breached their duties as officers of JHI," Commission (2004:420); "false in material particulars and materially misleading" Haigh (2006:363).

- There were three references to weak behaviours and none to strong or leadership characteristics.

- In respect to relationship management, the only reference is a negative one in Haigh’s (2006:328) book where the author states that MacDonald was “oblivious to the potentialities of public opinion.”

Conclusions
All the Bolman and Deal (1997) references to effective and ineffective leadership from which the terms fraud, petty, weak, fanatic, architect and catalyst were drawn appear to suggest that communicative behaviours are not deemed to be very relevant to reframing effective leadership. Based on this analysis of the literature and Bolman and Deal’s framework, it is posited that a new framework for measuring effective CEO communicative behaviour is required. The dimensions need to account for factors such as apathy, insularity, obfuscation (seven references), defensiveness (six references) and ambiguity (six references). On the positive axis, concepts such as dialogue, listening, honesty, openness, trust and relationship management are primary variable by which effective CEO communicators can be identified.

Taking the Bolman and Deal (1997) framework on page 303, it is suggested that an extra frame be considered, that of communication. Under effective leadership would be listed attributes of ‘dialogic, listener’, and listed under leadership process would be behaviours of ‘honesty, openness and trust.’ Under ineffective leadership, the descriptor would be ‘insular’ and the leadership processes, ‘defensive, dishonest and obfuscatory.’

It is apparent from this analysis the James Hardie CEO had not been aware of the negative consequences of the following actions:

- agreeing to a media release which the Commission found was untrue (dishonest);
- tried to hide the real reasons for taking the company offshore and escape liability for future asbestos claims (deceptive);
• being uncommunicative with the Medical Research and Compensation Foundation which was created by James Hardie Industries to fund future Australian asbestos victims (closed).

His personal reputation and that of the organisation would not have been subjected to a New South Wales State Government review, investigation of the Australian Securities and Investment Commission for possible jail able offences (Higgins, 2005) and intense negative media commentary.

Future research in this field will be based on a matrix of effective behaviours (as drawn from the thematic analysis such as truthfulness, open communication, trusting and participative). It is planned to interview a series of Australian CEO’s to test how these attributes contribute to their communicative and organisational effectiveness.

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Searles, George (2006) 'Workplace Communications- The Basics' Pearson Longman
### Appendix Two - Basic coding of James Hardie Industries research

<table>
<thead>
<tr>
<th>Medium (source of data)</th>
<th>Type (who initiated the item)</th>
<th>Type (Organisational)</th>
<th>Language</th>
<th>Variables</th>
<th>Attributes of effective leader-communicators</th>
<th>Attributes of ineffective leader-communicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sydney Morning Herald- business news</td>
<td>Independent/third party (Primary)</td>
<td>Company announcement</td>
<td>Neutral</td>
<td>Reference to asbestos</td>
<td>Transparent</td>
<td>Dishonesty</td>
</tr>
<tr>
<td>2. Sydney Morning Herald- general news</td>
<td>By-Lined Commentary</td>
<td>Media release</td>
<td>Negative</td>
<td>Reference to asbestosis</td>
<td>Truthful</td>
<td>Petty tyrant</td>
</tr>
<tr>
<td>3. Sydney Morning Herald-CBD column</td>
<td>Analysts</td>
<td>Interview with CEO</td>
<td>Positive</td>
<td>Reference to victim fund</td>
<td>Open</td>
<td>Weak</td>
</tr>
<tr>
<td>2. Australian Financial Review</td>
<td>Regulators</td>
<td>Supportive</td>
<td></td>
<td>Reference to compensation</td>
<td>Responsible</td>
<td>Reactive</td>
</tr>
<tr>
<td>3. The Age</td>
<td>Government officials (Local/state/Federal )</td>
<td>Overall impression</td>
<td></td>
<td>Reference to company liability for disease</td>
<td>Dialogic</td>
<td>Irresponsible</td>
</tr>
<tr>
<td>4. The Australian</td>
<td>Letter to the Editor</td>
<td></td>
<td></td>
<td>Reference to James Hardie Industries</td>
<td>Have integrity</td>
<td>Manipulator</td>
</tr>
<tr>
<td>5. Courier Mail</td>
<td>Victim groups</td>
<td></td>
<td>Reference: policy on how to manage issue</td>
<td></td>
<td>Participative</td>
<td>Obfuscatory</td>
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<thead>
<tr>
<th>Medium (source of data)</th>
<th>Type (who initiated the item)</th>
<th>Type (Organisational)</th>
<th>Language</th>
<th>Variables</th>
<th>Attributes of effective leader-communicators</th>
<th>Attributes of ineffective leader-communicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Daily Telegraph</td>
<td>Reference: words such as “issue management”, “crisis management” “communication strategy” “corporate social responsibility” “corporate social irresponsibility” “business ethics”</td>
<td>Interactive</td>
<td>Ambiguity</td>
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<td>7. Herald-Sun</td>
<td>Reference: key messages-abrogation of responsibility</td>
<td>Visionary</td>
<td></td>
<td></td>
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<tr>
<td>8. The West Australian</td>
<td>Reference: communication words</td>
<td>Caring</td>
<td></td>
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<tr>
<td>9. Mercury (Hobart)</td>
<td></td>
<td>Supportive</td>
<td></td>
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<tr>
<td>10. SMH Good Weekend</td>
<td></td>
<td>Communicative</td>
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The themes that emerged from this analysis were then developed as the basis for a referred paper (*Appendix One*).
Dear Donald,

I’m pleased to advise your research entitled “Dimensions of Chief Executive Officer core external communication competencies: assessing the relationships with key external publics and their effect on trust” has been approved. Please see below copy of a letter sent today.

Good luck with your research.

Julie
Appendix Four - CSU ethics approval (2)

From: Hicks, Julie
Sent: Thursday, 17 February 2011 12:20 PM
To: Alexander, Donald
Cc: Sappey, Jennifer
Subject: research variation approval

Dear Donald,

Please see below copy of a letter sent today confirming approval for a variation to your research entitled “Dimensions of Chief Executive Officer core external communication competencies: assessing the relationships with key external publics and their effect on trust”, protocol number 2010/067.

Kind regards

Julie
5 October 2012

Mr Donald Alexander
School of Communication & Creative Industries
N5
BATHURST CAMPUS

Dear Mr Alexander,

The CSU Human Research Ethics Committee (HREC) operates in accordance with the National Health and Medical Research Council’s National Statement on Ethical Conduct in Research Involving Humans.

The HREC has reviewed your report requesting a variation for your research project “Dimensions of Chief Executive Officer core external communication competencies: assessing the relationships with key external publics and their effect on trust”, protocol number 2010/067 and I am pleased to advise that this request for a variation meets the requirements of the National Statement; and variation for this research is granted for a twelve month period from 5/10/2012.

Please note the following conditions of approval:

- all Consent Forms and Information Sheets are to be printed on Charles Sturt University letterhead. Students should liaise with their Supervisor to arrange to have these documents printed;
- you must notify the Committee immediately in writing should your research differ in any way from that proposed. Forms are available at http://www.csu.edu.au/_data/assets/word_doc/0010/176833/chrc_annrep.doc;
- you must notify the Committee immediately if any serious and or unexpected adverse events or outcomes occur associated with your research, that might affect the participants and therefore ethical acceptability of the project. An Adverse Incident form is available from the website: as above;
- amendments to the research design must be reviewed and approved by the Human Research Ethics Committee before commencement. Forms are available at the website above;
- if an extension of the approval period is required, a request must be submitted to the Human Research Ethics Committee. Forms are available at the website above;

Version 2

PRV

www.csu.edu.au
CRICOS Provider Numbers for Charles Sturt University are 00009F (NSW), 01047G (VC) and 02000B (ACT). ABN: 93 878 708 551

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• you are required to complete a Progress Report form, which can be
downloaded as above, by 5/10/2013 if your research has not been completed
by that date;
• you are required to submit a final report, the form is available from the
website above.

You are reminded that an approval letter from the CSU HREC constitutes ethical
approval only.

If your research involves the use of radiation, biological materials or chemicals
separate approval is required from the appropriate University Committee.

Please don’t hesitate to contact the Executive Officer: telephone (02) 6338 4628 or
email ethics@csu.edu.au if you have any enquiries about this matter.

Yours sincerely,

Julie Hicks
Executive Officer
Human Research Ethics Committee
Direct Telephone: (02) 6338 4628
Email: ethics@csu.edu.au

Cc: Dr Jenny Suppey
Appendix Five – Analysis of CEO works and phases from the literature that demonstrate their awareness of communication behavioural attributes:

Frank O’Halloran, QBE (AFR Boss, May 2009), was reported as having “genuine care for people” (AFR Boss, May 09, p.20) and was lauded for consistently delivering some of the best shareholder returns over time (p.18). Recommended by Perpetual’s Gonzalez (April 2007) as an outstanding CEO. Nominated as an AFR Boss (August, 2009) true leader; “O'Halloran's unpolished delivery in investor briefings often concealed a phenomenal grasp of numbers and impressive knowledge of the company that now spans more than 50 countries." (Johnston, E., *The Age*, 29 Feb. 2012. “Under his leadership QBE has grown into one of the 25 biggest insurers in the world. It has operations in 48 countries and a market capitalisation of more than $22.5bn – more than 10 times its value when O'Halloran became CEO at the start of 1998” observed Reactions (2 July 2010, [www.reactions.com](http://www.reactions.com)) with a weighted average Return On Earning of 22.4% in the past five years (cf. other insurers 8.6%); “The important thing is if you have got a strategy you have to be prepared to stick with it,” says O'Halloran. “And if that means taking a backward step in some products then so be it. There are a number of classes where we have had to reduce the top line to maintain the bottom line profitability.” “He maintains a clear vision of the future and has the skills and ability to assess opportunities that greatly enhance the value for shareholders and staff." was the citation when he was nominated for the Insurance Hall of Fame, 2010 ([http://www.insurancehalloffame.org/laureateprofile.php?laureate=144](http://www.insurancehalloffame.org/laureateprofile.php?laureate=144)). “Over time, Mr. O'Halloran has been able to add tremendous value to all stakeholders. An indication can be found simply by looking at an investment in QBE which over the last 5 years has produced over 24% compound average growth. Very few companies in the world can boast this growth and return. Evidence of the support of shareholders is seen in that QBE is one of the few insurance stocks worldwide that trades at more than 2 times book value, a multiple that has been maintained for over 10 years.” Hall of Fame, accessed 02/01/2013. From *The Institute* issue, 04, 2009 (the industry publication) Mr. O'Halloran was nominated Insurance leader of the Year Award (2009) “We should not give our shareholders any surprises” and “Most CEOs realise now that if you do not produce
reasonable returns for shareholders, then the chances of surviving for the long term are pretty slim – both as a CEO and as a company.”

When David Morgan (Australian Financial Review, Nov 5, 2007) took over as CEO of the Australian bank, Westpac, it was reported that he “took over business was out of kilter with community expectations and as a result shareholder value was at risk, both immediately and over the longer term.” In the Sydney Morning Herald (April 12, 2006) Morgan “urged analysts to consider intangibles such as culture, values, links to the community, work to help the environment and customer service when measuring the worth of a company.” Also values such as “ethical decisions and making long term decisions that might not lead to short term financial outcomes” needed to be considered by the analyst community, and they needed to better understand the “value linkages between non-financial performance drivers and the financial outcomes.” Andrew Cornell and Sally Patten in the Australian Financial Review (5 November, 2005), described Morgan as being so “on message”. In his address to the bank’s Annual General Meeting (13 December 2007), he stated, “We refined our vision, and put strong ethical values and customers at the heart of everything we do. We changed our corporate DNA. For a business based on trust, our financial results would be unsustainable if we couldn’t deliver to customers and employees – and to the community interest. We’ve seen employee commitment rise from a low of 56% to an all time high of 71% this year, placing us at the top of large Australian companies. Our employee engagement this year was also at an all time high of 80%. Taking into account both share price movements and dividends, total shareholder returns have averaged more than 18% compound per annum growth over the past ten years. I am pleased to say that during the nine years of my tenure Westpac’s market capitalisation has increased from $20 billion to $53 billion, as at 30 September 2007, an increase of 164%. In the bank’s Ourcommunity.com.au (November, 2004) site he wrote “In my view, the essence of great leadership has always been, and will always be, personal integrity - remaining true to your own values, your own beliefs and your own sense of right and wrong, however assailed you are by circumstance, failure or disappointment. In the CEO Forum (http://www.ceoforum.com.au/article-detail.cfm?cid=6203&t=/David-Morgan---Westpac/Banking-on-leadership, April, 2004” It’s also important for CEOs to get the vision and strategy right, and make sure the company has genuine aspirations. The CEO is seen
as the public face of the company, and people often make judgments based on the CEO’s own behaviour, and at a University of New South Wales, Australian School of Business: Meet the CEO series Morgan made a direct reference to communication skills as important when recruiting people (11/07/2006).

Mike Smith, the CEO of the ANZ bank was reported in the Australian Financial Review (Nov., 2009 p. 38) that he intended to continue the external focus of his predecessor and also this quote demonstrated his awareness of good communication, “I think there is quite a sensitive side to the Australian psyche; people care what people are like; they need to know. It’s how things are phrased and communicated.”(p.52). At the bank’s AGM (16 December 2011), he said, “So clearly we need to do more to communicate the situation we are facing and the dilemmas it presents us. The key lesson the first round of the global crisis taught us, is that a strong banking sector and well-managed government finances are the best protection the economy can have to avoid a major downturn and in a CEDA speech (Feb., 2011),” And we need to encourage a frank, open and constructive exchange and avoid shouting down those with longer-term perspectives that go beyond this year’s political cycle.” On May 18, 2012 in an address to the Trans-Tasman Business Circle, which shows his understanding of the need to communicate a vision, “I believe we need to develop a road map in business, in government, in our universities and in the opinion leading platforms of our media to discuss and use.”

Stuart Crosby (recently retired CEO of Computershare) was appointed Chief Executive Officer and President of the Computershare Group in November 2006. He had been with the company for over 10 years. Before becoming CEO, Stuart was the Group’s Chief Operating Officer. He also spent several years running the company’s operations in Australia, New Zealand, India and Hong Kong, and played a key role in building the company’s interests in Asia and Continental Europe. Prior to joining Computershare, Stuart was the National Head of Listings at the Australian Stock Exchange and held various senior roles with the Hong Kong Securities and Futures Commission. Stuart is a member of the Nomination Committee and the Acquisitions Committee. He is based in Melbourne. In an Austrade report on export success stories (undated, http://www.austrade.gov.au/Export/About-Exporting/Success-stories/Computershare-Pursuing-innovation-in-financial-services), Crosby is quoted as saying most companies “struggle to understand who their investors are, and investors don’t have clear ways to
communicate with companies” and their systems are designed to overcome these issues and “It’s all about being plugged in, understanding what’s going on, and working with people to unearth the potential opportunities.”

Glen Boreham was CEO of IBM Australia and NZ (2006-2011) and was reported by the AFR Boss, magazine (October, 2007) as being an executive who listened to customers, remembered those interactions and was described as being open and collaborative and Ann Sherry, CEO Carnival Australia (Sun-Herald, June 17, 2007), former Westpac CEO in NZ and CEO of the Office of Status of Women (1992) said, “There is a risk in CEO roles that you start to believe the press about you.”(p. 63).

Keith Tempest, the CEO of TrustPower stated that being part of a community was important and that “That civil, behavioural, caring for each other, sharing-all that participative stuff, that is reflective of a very functional community. We also spend an enormous amount of time out in the community.” He said this external engagement substantially contributes to shareholder value (AFR Boss October 1, 2007).

Jennifer Tait, former COO Blackmore’s Health (afterboss.com.au, April 08, p.53), “a close commitment to transparency and an intimate relationship with shareholders. Shareholders “trust us and that’s not something you earn overnight; it’s only earned through consistent performance.”

Chris Roberts, CEO and President of Cochlear Health (afrboss.com.au April 08.) Cochlear Limited is a global leader in implantable devices for the hearing impaired; Dr Roberts is also Chairman of Research Australia Limited, a non-profit organisation whose objective is to make health and medical research a higher national priority. In 2013, Roberts and Cochlear were faced with a major product recall and said this had profoundly affected him (http://www.smartcompany.com.au/leadership/39666-cochlear-ceo-chris-roberts-how-to-navigate-a-disaster.html) but said his vision was to look forward and not backward.

Richard Goyder, CEO, Wesfarmers (The AFR Magazine, May 2008) where he talked about being taught about the simplicity of message and the need to work co-operatively. AFR Boss (April 2009): “perseverance-you learn that as a CEO”, learnt during the global financial crisis “to make sure you are listening; make sure you get good advice” (afrboss.com.au, February 2008) he also said reputational issues and value for
shareholders were his big concerns. *The Australian*: May 6, 2004, p.29: described as “straight as a die” “He’s extremely honest, extremely open and highly competent”, says Rob Brierley, Paterson Securities (Perth). Cited by (Ball, Y., *Australian Financial Review*, 21 December, 2005) when Goyder was referring to senior management at a retreat: “That was reaffirming our objective, providing satisfactory returns to shareholders, making it clear that we have high standards in terms of ethics, care of the environment, community participation, development and treatment of our people and the way we treat customers.”

Chris Lynch, CEO of Transurban (*arfboss.com.au* July 09, p.25, Cornell, A.). “Today his straight talking manner…seems a good fit.” “By definition we are going to be value based about return to our shareholders.” “He’s forthright, across detail, enormous integrity. And he’s very likeable.”(p.26). His honesty and affability is often noted. Role model was John Ralph:” If you think about honesty, integrity, humility and accountability; that’s John” (p.26).

Michael Luscombe is,CEO of Woolworths (*The Australian*, Speedy, B.2007. 14 April, p. 33); regularly visits stores; talks about vision and “something that values and involves people.” Was nominated as an AFR Boss (August, 2009) true leader.

Ralph Norris former CEO of CBA (*Australian Financial Review*, Patten. S.,, 24 January, 2007): “What really interests me is what our investors think and our investors are very supportive of the approach.” “From my perspective, I am not particularly interested in whether or not I satisfy the analysts. It is the buy-side analysts and investors that are my customers, so I will keep focusing on what I believe is right.”

Gail Kelly, former CEO of the Westpac bank (*AFR Boss*, June 2009) appointed to Westpac because of her focus on people and customer service; move to …” actually being the one in charge and the one who has to carry that accountability and has to deal with all of the stakeholders from government through to regulators, through to media through to fund managers, analysts, boards external communities and of course your people. You set the tone and culture and the style of an organisation.” (p.19).

Janine Allis, executive chair, Boost (*The Australian*, May 10, 2008), CEOs learn the customer is always frighteningly right; “the day you stop listening to your customers and believing what everyone else says you are in trouble.” Finalist 2003 E&Y Entrepreneur of the Year
Michael Chaney is chair of the NAB bank and former CEO of Wesfarmers (Hewett, J, November 2008, The Deal, *The Australian*) “But while he is happy to listen, he clearly loves being in charge.” (p. 29). Reported in *The Age* (Bolt, C. 4 July, 2005): “As soon as you start believing you have superior wisdom you start failing; it is easy as a CEO to be affected by external noise; not to give too much notice to short-term views and comment”. Also *The Age*, 26 June, 2004: “At (Wesfarmers) I say, ‘Ethical behaviour is non-negotiable.” *Australian Financial Review*, 20 May, 2004, Cave, M. “The pressure exerted on chief executives by journalists seeking growth stories is unrelenting, Chaney said. And we thought we were reporting on what the fund managers and stock broking analysts were saying. Neither does he have much time for management speak. Personal ego is the great enemy of good shareholder returns" he said." So-called visions can lead you into making bad expansion moves.” In 2001 Chaney was *BRW* magazine’s most admired business leader. In a Sunday Sunrise interview (Nov 7, 2004, with Michael Pascoe) he was asked how important was the culture of the company, and what role does the CEO play in that? Chaney replied, “I think the culture is perhaps the critical thing in any company, and the CEO plays the most critical role in the development and maintenance of the culture.”

Russell Hewitt, CEO Vodafone Australia (The Deal, *the Australian* business magazine, December 2008, p.10): “Once you have lost trust. It’s a very hard road back.”(p.10); “I’m an open, transparent manager. If you have the privilege of leading people. Then you have the responsibility to treat them as you’d like to be treated.” (p.10). Craig Winkler, the CEO, MYOB, quoted in AFR BOSS magazine, (August 2006), that A CEO needs a dose of “humility”, and needs “keep your feet on the ground”.

Brian McNamee, former CEO of CSL (afrboss.com.au, September, 2009) said a CEO needed an ability to adapt and not lose sight of the long term, “collegiality and parsimony are two of his most important values.”(p.20); in the same publication, Paul Xiradis, CEO of Ausbil Dexia, a long time shareholder in CSL speaking of McNamee “In order to be very successful you have to have a strong ego and believe in yourself but be smart enough to understand when to back off. I think successful CEOs do need to have that attribute and Brian clearly demonstrates that.” (p.20), Xiradis also says he is straight up and down, one of the better leaders in Australia with a big picture perspective. Nominated as an *AFR Boss* (August, 2009) true leader.
Paul O’Sullivan is CEO of Optus, a telecommunication company. Reported in *The Australian* (Thursday 6 May, 2004) by analysts saying he was “well regarded.” Mr. O’Sullivan was appointed Chief Executive of Optus in 2004. Under his direction, Optus has experienced five years of rapid growth. Over this period, revenues increased from A$6.6 billion to over A$8 billion, whilst mobile customers grew from 5 million to more than 8 million.

Grant King, CEO of Origin Energy reported in *Boss* magazine (March 2009, page unknown) that he fostered a robust dialogue, was very thorough, lauded in the press after the deal with Conoco, and was included in an “elite group of CEOs widely acclaimed by institutional investors and stock broking analysts” and “When appropriate he will speak out on issues he feels strongly about”. In an interview at an Australian School of Business event (November, 11, 2012), “The difficult decisions and choices nearly always require us to think through what our company values and principles are, and how they will influence the choices we make….. I know that embodied in the solution is a very clear sense of what’s right - not just in an ethical sense but what’s right for our business.”

Greg Kilmister, CEO of Campbell Brothers Limited, has been regularly listed as the #1 effective CEO from the EAST Coles surveys. In an RBS analyst reports extract (May 21, 2012: The company has a strong track record in delivering earnings growth both organically and through acquisitions. In addition, ALS generates high margins (EBITDA +20%), well in excess of its industry peers. We believe these metrics reflect CPB’s best-practice systems and strong management team.” In the *Courier-Mail* (22 May 2012),”Campbell (previous name of ALS), managing director Greg Kilmister said recent acquisitions and the restructure of the group into four major divisions would underpin future growth. He said the group would benefit greatly from acquisitions during the past year and from the purchase of the food testing operations of UK-based Eclipse Scientific Group in April. Mr. Kilmister said ALS’s recent restructure into minerals, life sciences, energy and industrial divisions reflected its view that these sectors were “fundamental to (our) future growth and expansion strategies”.

Mansell, V. (*Business Spectator*, 21 June, 2012) said that CEOs need style and substance. "Boards should hire and evaluate CEOs based on a range of criteria including leadership competencies, business acumen and performance“ While it is true that some CEOs prefer or are more suited to transformation, turnaround or high-growth situations, a
CEO’s leadership style should never be a surprise to a board that has done its due
diligence and recruited for both people skills and financial and operational management
skills."