

# Note: The CEO and Media Relations

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In many ways, he was a typical CEO. He wouldn't talk to the press. His predecessor hadn't talked much to the media either. Both believed it was performance that counted and not what was written or said about them or the company. They had good records of performance, but here was his new head of corporate communications asking him to talk to a reporter from *The Wall Street Journal*. Why should he? The CFO could handle the conversation. The head of corporate communications persisted. "You know the direction of the firm better than anyone," she said. "You are the best spokesperson the company has." The CEO thought about her words. What would the board think? What would analysts do?

## The CEO as media spokesperson

Some CEOs readily talk to reporters, and others rarely do. Even CEOs of the largest firms have remained out of sight during crises. The CEO of Exxon waited five days after the Valdez oil spill before appearing on TV to explain how the company was responding.

However, there are at least six reasons why CEOs should serve as media spokespersons. The first is that CEOs are chief communicators of their firms and the most credible. They have the largest megaphone in a corporation: It is theirs to use or ignore. Second, CEOs are the most responsible for the future of their companies and carry more authority when talking about strategy. Third, CEOs represent a corporate brand and reputation of a firm more effectively and keep both in focus, especially in a crisis. Fourth, CEOs have more authority when discussing company directions to those dependent on it – employees, shareholders, communities, regulators, etc. Fifth, no one is listened to more closely when discussing the firm's expertise and how it relates to local and national economies. Finally, CEOs are a bulwark against negative perceptions and conventional wisdom, especially with ubiquitous communication in the internet age. They are the prime proponents of the benefits of their businesses to society.

That written, CEOs know reporters are not the sole form of communication available. Especially today with e-mail, tele- and videoconferences, blogs, web pages, town halls, walk-throughs, large and small meetings, one-on-ones with employees and shareholders and more, traditional media seem to have receded in importance. That is highlighted by a decline in business and general reporting, even in the largest US media such as *The New York Times* and *The Wall Street Journal*. A CEO might be justified in thinking reporters are from the past and the internet is the present. Why bother trying to convince cynical media when there are other – and easier -- ways to get a message out?

## Why CEOs avoid media relations

There are CEOs for whom media relations is a duty they don't like. They avoid it because they may feel they aren't good in interviews. For others under pressure, they feel they have no time to meet with reporters. These are CEOs who are scheduled months in advance. They may be turning a company around or simply overwhelmed. Meeting with the media is a burden they feel they can't take on, even though they know they should. Besides, they may feel it is not the right time to talk to reporters if their firms are doing badly. Still other CEOs see no perceived value in talking to the media. The economic return of spending an hour with a reporter is less than doing something else, such as reviewing the latest financial reports. These are often the same CEOs who believe their key communications concern is for institutional shareholders. While they meet readily with financial analysts, they won't give reporters a second thought. There are some CEOs as well who know their businesses are difficult to explain and feel the media won't grasp what they do. These are often CEOs who tried vainly in the past to describe their operations. Then, there are CEOs who reject the idea that they are chief salespersons through the media for the firm and its mission. They will sell their ideas to their employees, customers and shareholders, but using a third-party medium like the press is out of the question.

In another class are CEOs who have dealt before with the media but won't do it again. They have no trust in the media getting a story right because they have been hurt in the past. They may have an active dislike for a reporter, editor or publication based on personal experience. A typical example is a CEO whose company was caught up in media rage that was deeply unfair to the firm and its employees. He refused all further connections with the press, and he was fortunate because his company performed an essential but low-profile business about which reporters rarely inquired.

## Media options

It may not be possible to sway some CEOs' view of the media. It strikes them as foolish and foolhardy for participating in interviews with reporters who know little about CEOs or their companies. These CEOs ask how a reporter can write an accurate third-party assessment of whether they are doing good jobs. Moreover, they see no noticeable harm to the performance of their companies by not engaging. Being practical minded, they want proof that talking to reporters would make their jobs easier and their companies' returns better.

Unfortunately, there are few instances where proof is immediate. Keeping open media channels has long-term benefits more than short-term returns. It is like meetings between heads of state. They may hold informal talks that lead nowhere, but in times of crisis, they can make realistic assumptions about each other and actions each will take. One can keep communications lines open with reporters for years and not get major stories, but when a crisis strikes and one's credibility is tested, the media respond positively or negatively based on their prior experience with a CEO.

There are essentially four options for CEOs to deal with the media and four consequent roles for communications. A CEO:

- Never talks to the media. The CEO uses corporate communications as a shield.
- Talks to the media under certain circumstances. The CEO makes major announcements and talks during earnings announcements but not at other times. The CEO uses corporate communications as a gatekeeper rationing the CEO's appearances.
- Doesn't fear the media and understands its ability to amplify his insights to the benefit of the company and himself. The CEO uses corporate communications to rank media by importance to avoid taking too much of the CEO's time.
- Over-exposes himself and is too available to the media. This jeopardizes the CEO and raises questions whether the CEO is paying attention to company business. Corporate communications shields the CEO to protect him from himself, sometimes whether or not the CEO is aware of it.

It is up to the corporate communicator to adjust media relations to a CEO's temperament.

### **Finding balance**

There is no rule of thumb for how much a CEO should engage with the media. It is a judgment call. Never engaging potentially harms a company and the messages it wishes to send to stakeholder audiences. Always engaging can paint the CEO as a blowhard and media hog. The corporate communicator should use business judgment to explain to the CEO where and when the CEO should speak. To use an analogy from baseball, the CEO can be a starter who visibly leads the team in the public's eyes or a reliever who steps in when a starter needs help. The CEO can also serve as a symbol, visible to the media, but who lets others do the talking.

There are guidelines for CEOs and corporate communicators that may help find the right balance. However, each company and CEO is different. No two face identical pressures from the environment and market. Counsel should, therefore, be customized for the situation a CEO faces. That written, more often than not:

- A CEO should be out front in proclaiming company strategy. A new CEO in particular should be visible until his vision is understood. This may include media interviews to reach the broadest possible audience of stakeholders.
- A CEO should be visible when a company is going through rough times or a crisis. Particularly when the media are focused on a company, hiding from reporters is ill advised.

- A CEO should be visible when introducing key products and services to show that the company stands behind its offering. The CEO is a symbol of the importance of products and services, even though the CEO may do little more than introduce those who will carry the presentation.
- A CEO should be visible when there are major threats and opportunities for his industry – especially regulatory ones. When an industry is endangered, or has enormous growth potential, a CEO becomes a recognized leader for how industry participants will respond. The CEO should be ready to take media questions in order to explain the company's role in relation to the threats and opportunities.
- A CEO should be visible when there is an orderly succession. A CEO should meet with the media when introducing a successor in order to show that succession is normal. In this case, the CEO can step back quickly and let the successor handle most media inquiries.

These guidelines are not comprehensive, but they provide a direction for how to judge when it is best for a CEO to engage in media relations. It is possible in some industries for a CEO to meet with the media rarely and in other industries to meet with reporters often because of the kind of industry it is. In all cases, it is important to use a CEO's time judiciously.

### **The invisible CEO**

When a CEO is adamant in opposition to media relations as an ego trip or waste of time, the corporate communicator's credibility is not enough to change the CEO's mind. In this instance, a corporate communicator needs to gather support from other senior executives and even from the board of directors. This needs to be done over time and carefully to bring the CEO around without manifest pressure. It assumes that the corporate communicator has a good relationship with senior executives and access to directors. Not all do. In fact, some corporate communicators rarely meet with the CEO and report through other senior leaders who do not provide them "face time" with the CEO. When this happens, the corporate communicator learns to live with the problem and do the best one can. It is a less-than-optimum scenario.

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