

# PRWeek

## CEO efforts key to consumer trust

If “the best proof of love is trust,” then corporate America has cause for concern – public trust in corporations and CEOs sits at an all-time low.

A recent Ketchum survey of 2,773 influential consumers worldwide found that many factors – including CEO compensation levels – are driving the deep levels of distrust. These factors lie in the startlingly large gap between public expectations and perceived performance in areas we’ve dubbed “the 3 E’s”:

*The environment.* Consumers, particularly in Europe, expect companies to be good environmental stewards. They expect companies to play as large a role as governments in solving most environmental problems.

But, doing right by the environment is the least-met corporate expectation globally. In the US, 21% of respondents think companies are good environmental stewards, while 64% say this should be an important focus for companies.

*Ethics.* Consumers expect that companies will follow ethical standards and communicate honestly. Here again, the gap between expectations and perceived performance is great. In the US, the gap in “communicating honestly”

is 63 percentage points. In Canada, it’s 78 points.

In the US, only 22% believe CEOs are honest, while 86% rank honesty as very important.

*Employees.* Staff issues are top of mind among respondents. In the US, 85% rank “compensating employees fairly” as important; only 26% think companies do. A

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full 77% believe that being an “open communicator with employees” is an important CEO trait – although only 22% believe CEOs are open with employees.

US respondents have serious concerns about job security and employment issues, and rank “keeping jobs in the country” as the most important area for corporate investment.

What are the implications of these findings for PR pros?

With low levels of trust associated

with corporations and CEOs, firms need to build credibility around all corporate communications – particularly those coming from the CEO. Transparency is important, as is using the CEO in a broad range of communications, not just when reporting financial results or in times of crisis. The CEO should be active in employee communications.

Recognize that what’s often at issue is the actual corporate behavior, not perceptions of behavior. Communicators need to be rigorous in how they assess and advise management on reputation issues – particularly around the three E’s. Advocate for, and contribute meaningfully to, CSR initiatives that address those vulnerabilities.

Recognize regional differences. Our study shows major regional variations in trust levels and expectations for corporate and CEO performance – including views on CEO pay and even the desirability of the CEO job. All of these factors have implications for managing global reputation programs and need to be factored into communications planning. ■

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