

2021

Porter Novelli Executive Influence Study

There is no doubt the world of business is rapidly changing. No longer is it enough to simply pump out products and services, zero-in on profit and appease shareholders.

Now, business leaders must understand the needs of myriad stakeholders (not just those who care about the bottom line), positively impact society and the environment and speak out on pressing social issues – all while improving business performance. And for many executives, this is not something their business school education or job experience has prepared them to navigate.

This research shows it's time for a new class of business leader. One that leads with empathy by infusing the personal with the professional, authentically considers what matters to all stakeholders and understands how impacting societal issues can actually be an effective way to drive long-term business success. But this new path is not easy – and many executives are the first to admit they need help in achieving it. The following report unpacks the various pressures today's leaders face, the stakeholders they see as critical and who they are turning to for help.

Today, the role of the executive has vastly changed – and executives must be equipped with the tools to succeed. At Porter Novelli, we work with leaders across sectors to build out their authentic, empathetic platform, tied back to their organization's narrative to make an impact on critical issues while, most importantly, building successful business and performance. This platform, rooted in purpose and anchored by deep internal and external stakeholder intelligence, enables executives to connect the personal with the professional – and confidently navigate the new and rapidly evolving issues and expectations of the day.

Introducing the 2021 Porter Novelli Executive Influence Study.

ABOUT THE RESEARCH

This survey was fielded online via Directions Research between July 28-August 2, 2021 among a sample of 150 U.S. business executives at companies with \$250M+ in revenue. All respondents have a title of executive vice president or above.

CONTENT

- 5** Stakeholder Capitalism, Here to Stay
- 7** The Executive Role Expands Outside of the Boardroom
- 8** A Solution to the Challenge:
Leaning into Identity, Leadership and Communication
- 9** Business Issues and Priorities Shift
- 11** Priority Stakeholders Emerge

This report is designed for executives with insights from executives – and we know the leaders of today are busy. That’s why we’ve wrapped up the most important data and insights from the 2021 Porter Novelli Executive Influence Study into a few bite-sized items. We hope you dive into the full report, but here are a few points to get you started:

Shareholders are one of many important stakeholders:

Today, the majority of executives believe they must take into account the considerations of many stakeholders – not just shareholders. In fact, nearly three-quarters (74%) say shareholders are no longer their single most important stakeholder. Still, leaders acknowledge this new mandate is not easy: 77 percent say it is hard to balance the need to address societal issues with the need to make a profit.

Social impact is part of business performance:

Contemporary leaders know that running a successful business is about more than just focusing on the bottom-line. The majority – 93 percent – of executives recognize that addressing societal issues is part of running a successful business. And leaders are ready to take the reins here: nine-in-10 (93%) say they have a duty to use their platforms and authority to influence societal issues.

Juggling risk, competing priorities and new issues keep leaders up at night:

When asked the top challenges business leaders face, executives noted increasing risks, like climate change (48%), competing stakeholder priorities (47%) and societal issues the business is not prepared to respond to (45%) as paramount – only highlighting the new landscape (and different issues) executives must navigate.

Executives need help – but vision and purpose are a roadmap:

Leaders today are the first to acknowledge the road to simultaneous societal growth and business performance is not easy – in fact, 87 percent insist they need more resources or counsel to navigate the societal issues they face today. Still, nearly all executives (97%) believe having a defined and clear corporate identity, principles and purpose help executives make better decisions for the organization.

*To discuss this research and its implications in more detail,
please contact: marketing@porternovelli.com*

■ Stakeholder Capitalism, Here to Stay

In the years after the updated Business Roundtable Statement on the Purpose of a Corporation was released, corporate America is finally and firmly rejecting the mindset that shareholders alone are businesses' single priority. Executives today are near unanimous in their belief that they must take into consideration the needs of all stakeholders, not just shareholders (95%) – a philosophy called “Stakeholder Capitalism”. The same amount also believes that having a deep understanding and intelligence into each stakeholder is critical – as 95 percent say it is more important to them now than in the past to understand the concerns of all their stakeholders. Given this shift from the shareholder to the stakeholder, the concept of a business operating as more than a profit-making engine is catching on. Nearly all (98%) leaders agree it is important for business executives today to consider more than just the bottom-line in their decisions and dealings.



Business leaders today also understand that tackling issues beyond profit is paramount to effective performance. The majority – 93 percent – of executives recognize that addressing societal issues is part of running a successful business. Still, understanding the inextricable connection between addressing societal needs and business performance doesn't make achieving it any less challenging. More than three-quarters (77%) say it is hard to balance the need to address societal issues with the need to make a profit.



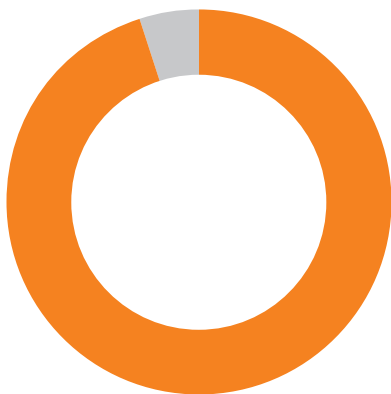
77%

of leaders say it is hard to balance the need to address societal issues with the need to make a profit.

■ The Executive Role Expands Outside of the Boardroom

With the new remit around creating value for all stakeholders, the business executive's purview has expanded – and the heat is on to deliver. In fact, 79 percent of leaders say they feel more pressure from stakeholders than ever before to respond to societal issues – and 95 percent say business executives today have more issues to consider than business executives of the past. Executives feel this pressure on a very personal level – as nine-in-10 (93%) say they have a duty to use their platforms and authority to influence societal issues. They also recognize this new type of leadership calls for more compassion and responsiveness to the world around them. Ninety-five percent of leaders believe empathetic business executives will perform better in today's business climate and society.

Although leaders accept the broader roles they can play in influencing important issues in society, many concede they are ill-prepared to follow through on this responsibility. Eighty-two percent say it is challenging to know if, when and how to address hot-button societal issues – with a further 87 percent insisting they need more resources or counsel to navigate the societal issues they face today.



95%

of executives say the social, cultural, and economic challenges of the last 18 months have made them more aware of how their role can impact society

■ A Solution to the Challenge: Leaning into Identity, Leadership and Communication

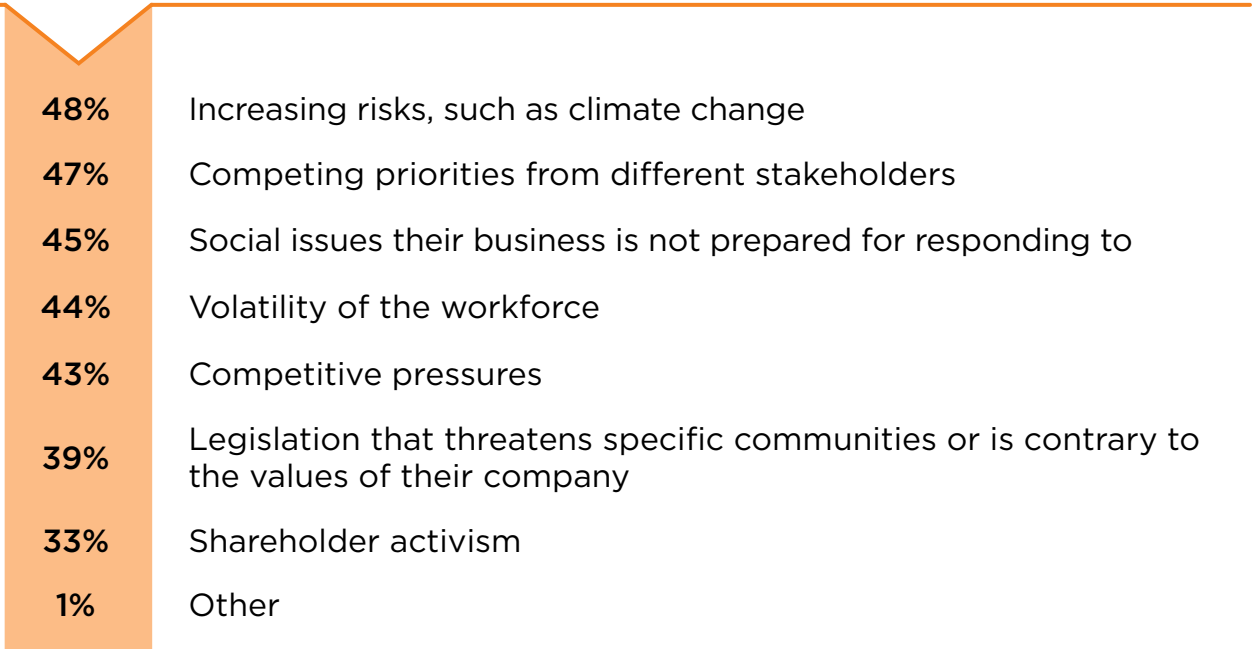
Even as executives feel less confident in the path to navigating these issues, a majority do recognize one critical solution: nearly all (97%) believe having a defined and clear corporate identity, principles and purpose help executives make better decisions for the organization. This reinforces that executives feel better equipped to respond to the myriad issues and stakeholder demands if they have a strong understanding of the company's values, mission and purpose.

The business leaders of today acknowledge that strong support is needed to align on that vision as well as execute action that will lead to both business and societal results. And the Chief Communications Officer is poised to play a critical role in helping executives wade these waters. Business leaders were united (97%) in their belief that the Chief Communications Officer is more important to their organization than in the past – and nearly 40 percent say that it is the most important internal stakeholder whose input matters when navigating today's business issues. A further 96 percent of leaders see communications as an increasingly critical part of the company sales and marketing mix. This shows a nuance in how executives are looking to lead in the marketplace – through deep stakeholder intelligence and thoughtful and focused communications around a strong corporate vision.

■ Business Issues and Priorities Shift

There is no denying that the scale, pace and ideologies of the challenges facing business leaders today are unlike those of the past. In ranking a list of potential challenges, executives cited increasing risks – such as climate change – as the number one business concern. This was closely followed by navigating competing priorities from different stakeholders and addressing social issues the business is not prepared to respond to. This is compounded by more traditional, but growing, business pressures – such as workforce volatility and competitive pressures.

TABLE 1. Business executives are most concerned about the following business challenges:



With these new challenges comprising the business landscape, there is a seismic shift in business priorities. When asked to rank the top priorities leaders faced, a tension between traditional and emerging business priorities became clear. Executives today noted that employee satisfaction was a top priority, which could be explained by continued workforce volatility today. This was followed by creating ethical or sustainable products or practices and out-performing the competition. Still, nearly half also saw shareholder value as a business priority – as well as avoiding consumer dissatisfaction or boycotts. Here we see how different stakeholder needs and considerations are flowing into the ways executives are prioritizing business decisions – with employees, consumers, shareholders and communities all coming into play.

TABLE 2. Business executives named the following top priorities:

| | |
|-----|--|
| 71% | Employee satisfaction |
| 63% | Creating ethical/sustainable business practices/products |
| 63% | Being better than the competition |
| 49% | Shareholder value/profit |
| 49% | Avoiding consumer dissatisfaction/boycotts |
| 5% | Other |

■ Priority Stakeholders Emerge

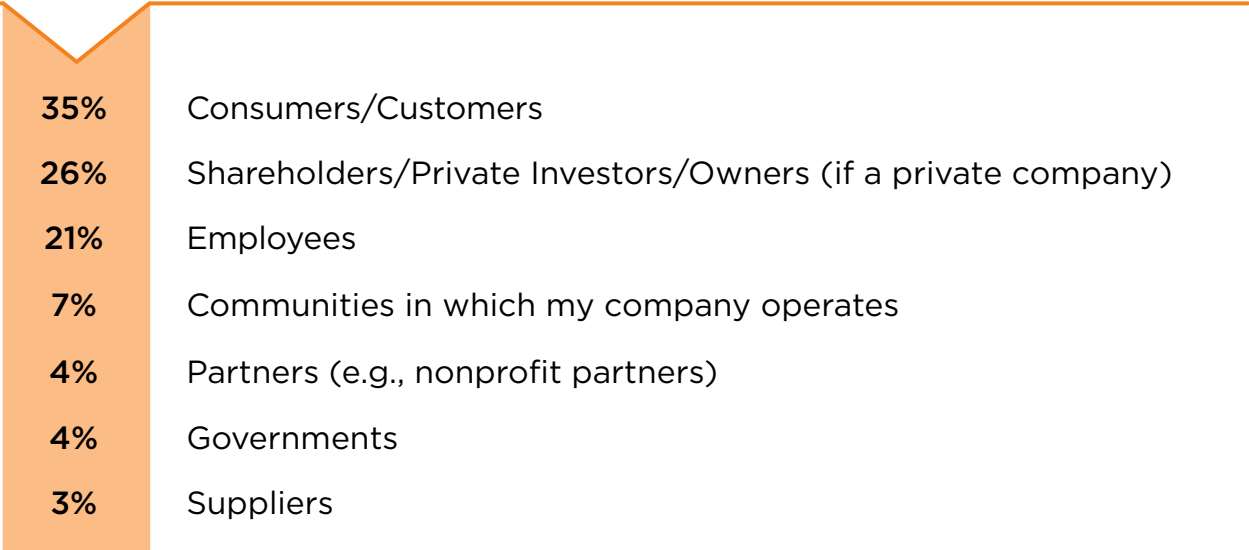
A deeper dive into stakeholder considerations again shows the conflict leaders feel in understanding and prioritizing the needs of different parties. When asked which stakeholder considerations are important when making business decisions, executives ranked all stakeholders as near-equally important.

TABLE 3. Executives ranked the following stakeholders as important when making business decisions:

| | |
|------|--|
| 100% | Employees |
| 100% | Partners (e.g., nonprofit partners) |
| 98% | Shareholders/Private Investors/Owners (if a private company) |
| 98% | Consumers/Customers |
| 98% | Communities in which their company operates |
| 97% | Suppliers |
| 94% | Governments |

However, when asked to select the stakeholder whose considerations were most important when making business decisions, customers and consumers rose to the top. As companies evolve to be more customer-centric, leaders are realizing that they need to prioritize the needs and wants of their consumers to address pressing societal and environmental issues. This is reinforced in data from the [2018 Porter Novelli Purpose Study](#) where more than three-quarters (78%) of American consumers said companies must do more than make money, but positively impact society as well.

TABLE 4. Executives ranked the following stakeholders as the single most important when making business decisions:



CONCLUSION

In today's culturally conscious society, successful leaders are the ones who are deeply curious about the needs of their stakeholders and always listening to the latest marketplace intelligence – and not just business intelligence – but social and emotional intelligence as well.

These leaders recognize how their business operations can be a lever for greater societal impact – and heightened performance. Further, these individuals understand just how important their roles as leaders are and the responsibility they hold to influence issues. The new executive sees this moment of change and transformation not as something to shy away from – but a challenge accepted. They are ready to use their platform to transform the course of business and society for the better. Welcome to the era of Executive Influence.

ABOUT

ABOUT PORTER NOVELLI

Porter Novelli is a global communications partner who fearlessly leads clients through our modern stakeholder landscape. In a world of rapidly changing expectations and milestones for success, we align the stories our clients want to tell with the actions they need to take. Today, successful companies need to stand for something beyond what they sell to build the reputation they deserve – not just the one they desire. They must positively impact people's lives and society to maintain relevance and achieve better business results. For additional information, please visit porternovelli.com. Porter Novelli is a part of the Omnicom Public Relations Group.

ABOUT OMNICOM PUBLIC RELATIONS GROUP

Omnicom Public Relations Group is a global collective of three of the top global public relations agencies worldwide and specialist agencies in areas including public affairs, marketing to women, global health strategy and corporate social responsibility. It encompasses more than 6,300 public relations professionals in more than 370 offices worldwide who provide their expertise to companies, government agencies, NGOs and nonprofits across a wide range of industries. Omnicom Public Relations Group delivers for clients through a relentless focus on talent, continuous pursuit of innovation and a culture steeped in collaboration. Omnicom Public Relations Group is part of the DAS Group of Companies, a division of Omnicom Group Inc. (NYSE: OMC) that includes more than 200 companies in a wide range of marketing disciplines including advertising, public relations, healthcare, customer relationship management, events, promotional marketing, branding and research.

A large, light orange graphic in the background of the slide. It consists of two thin lines crossing at the center, forming an 'X' shape. At the intersection, there is a small circle, and the lines curve outwards to form a four-pointed star or flower-like shape.

**PORTER
NOVELLI** 