

REPORT BRIEF

Leadership Perspectives:

Leading and Looking Ahead Through COVID-19

*The full e-book features 30 profiles and interviews with communication executives about the impact of COVID-19; the increased importance of internal communication; return to work; future of business and the industry; diversity, equity, and inclusion initiatives; impact of Black Lives Matter protests; and corporate purpose. **This brief focuses on one specific theme in the ebook.***

Theme: Future of Business/Industry

Key Findings:

- Many leaders state that the pandemic will serve as a catalyst for change for business and the public relations industry as they have been permanently impacted.
- More remote work and a larger emphasis on technology are anticipated; communication executives predict that more business will take place virtually, including more digital advocacy, transformative technologies, and telemedicine in the healthcare industry.
- Respondents anticipate increased recognition of the value of the communication function and long-term integration of communications and other departments such as HR and marketing.
- Increasingly, leaders said stakeholders are trusting companies more and expect them to help solve some of the major global issues and solve important policy matters.

“Like a lot of leaders, I don’t know when we will finally return to the “new normal,” but I do anticipate that the communications industry has been permanently affected by the change. An emphasized focus on internal communications – for client crises, employee engagement and continued work practices – will remain a vital need for both corporations and agencies. PR agencies with diversified offerings and experience will be best prepared to weather the current crisis and support client priorities on the other side.”

-Barbara Bates, Global CEO, Hotwire

“I think the business community has surprised itself with how well it can function virtually with people working from home. Productivity is up and people are able to take more intentional steps to achieve work-life balance, from spending more time with their kids and partners, to exercise, to finding new and innovative ways to connect with each other. And dogs love it! While many people (and all dogs!) are enjoying the ability to work from home, it is becoming increasingly evident that we need to do more around our culture to ensure we maintain a collective and collaborative workplace – albeit remotely.”

-Matt Bianco, Head of Corporate Public Affairs, Novelis, Inc.

“The communications role at Macy’s will broaden as we move into the future. We will continue to cultivate a strong voice in response to the needs of our colleagues and customers. Our communications team is not just managing how we talk about what we’re doing, but we are also at the table to support the work of policy making, crisis management and business resiliency.”

-Jill Carapellotti, Group Vice President, Corporate Communications, Macy’s Inc.

“Generally, you want your comms people located together physically, but the reality is, we’ve all worked incredibly well remotely. So, remote work is here to stay in some form going forward. I think that, like everybody else, we’ve been struggling with inclusion and diversity, and bringing in a diverse talent mix. I think a little bit of the problem is we’re trying to get diverse talent to relocate to certain locations that aren’t as diverse or where people may not want to live. I think we’ll do a lot more remote work and have less of a perspective of where that work has to be situated. We have locations all over the country if people need a location to tether to.”

-Rob Clark, Chief Communications Officer, Medtronic

“I think there has been an opportunity for communications to shine during this period by working more closely with product development teams; providing input to these teams as to what consumers, clients and society want and need during this time. Communications teams act as the window to the outside world for businesses, which gives them an opportunity to help in the creation of solutions for this environment; solutions and products that could ultimately help to enhance a business’ reputation.

I don't know whether communication professionals have been doing that, but I think that's a key opportunity. And we've certainly seen a number of job openings in marketing communications during this period.

We're going to see a fallout as businesses start to reflect on whether they've become a bit too heavy in areas that are not necessary. Once that clear out has happened, what normally happens is a further reflection and realization that "we do have a gap here and we do need to fill it." I think that the government bailout packages will probably prolong that process. Whereas in previous downturns, that process has happened in a certain timeframe. I think the timeframe will be longer this time around because the packages are designed to help stem layoffs; the terms of these bail-out packages will therefore discourage companies from conducting any immediate restructuring exercises. So, in that sense, I think the recovery of the recruitment market will be quite slow.

I'm just trying to be optimistic. I think it's important to reflect on the difference between this downturn and the previous one in 2008-2009. The fundamentals underpinning business have not caused this downturn, whereas in 2008-2009 bad business and poor economics were absolutely the cause. So, I'm hopeful that there will be a reasonably quick bounce back in terms of business activity.

Nevertheless, I think that this pandemic will undoubtedly catalyze change. Businesses will adjust to a new world that is much more localized. I think they will ultimately create more headcount in countries where they have local business operations, but they'll do so having slimmed down on their regional centers.

We were actually seeing this with some clients before the pandemic. And it is not just a case of companies stripping out regional headcount in favor of local market focused roles. Some companies are being creative about this, putting regional headcount in different markets. For example, we placed somebody at the end of last year in Shanghai to perform a regional role, even though the regional center for the business is in Singapore. I expect that we may see more of that going on.

Now that the world of business has shown that it is possible to operate without conducting business face-to-face, business travel inevitably will reduce. People are going to use video conferencing systems more and there's going to be a rise in tools and platforms that will be so much better for that. There seems to be a dichotomy of trends taking place – in some ways we have and will become more globally connected as a result of the pandemic but the dynamics of globalization are going to change and there is undoubtedly going to be an element of retrenchment from reliance on global supply chains.

Another interesting point to consider is how the virus has potentially accelerated the move toward stakeholder capitalism. I think that this presents some real opportunities for the communications function in the future. And so, although the immediate landscape from a hiring perspective is not looking terribly rosy, I do think that we will see job and role creation taking place in the field of communications in the relatively near future."

-Sarah Crawshaw, Managing Director, Asia Pacific, Taylor Bennett Heyman

“While it’s hard to predict the depth of the impact on the business world overall, one thing we all will agree on is that the pre-COVID office as we knew it will no longer exist. We can expect more remote work moving forward and those companies that will transition back into an office will likely do so in a staggered and limited capacity. Speaking for Horizon specifically, we have always had a flexible work policy with the ability to work remotely on a regular basis, so this coupled with what we have experienced during COVID-19 will not be a significant adjustment for employees. In addition, a large segment of our employee population (sales force) is remote, so there will not be any significant change as it relates to an office environment.

In the post-COVID world, communicators will need to increase their focus on: 1) CEO/C-suite visibility particularly with internal stakeholders, 2) information flow/cadence/transparency and 3) information quality and tone. Trust will be paramount and it will be up to the communicators to instill that trust with internal and external stakeholders.”

-Geoff Curtis, Executive Vice President, Corporate Affairs and Chief Communications Officer, Horizon Therapeutics

“In short, trust in business has skyrocketed, as has the pace of digital transformation of everything.

During the crisis, we saw the broader business community provide a sense of security and trust to those who depend on it. When they needed it the most, Americans turned to the corporate world. According to The Harris Poll, which has been conducting public opinion polling on a weekly basis since mid-March, there is widespread approval of corporate America’s response to the pandemic. Companies have been active participants in providing solutions – whether producing different goods and services, reinforcing supply chains or seeking cures for the deadly disease.

In addition, as we think about the world post-COVID-19: digital transformation has been accelerated among consumers and among business. Some people say we’ve just seen digital accelerate by 5 to 10 years. That means those who are digitally savvy and focused on the future will be the successful businesses going forward.

From a Communications standpoint, the successful companies and Comms leaders will be the ones that quickly shift their focus to the future of communications – in line with what is clearly a changed world and a changed consumer. This future will be defined by being digital, mobile, measurable and engaging – both in reaching stakeholders and in delivering compelling content.”

-Ray Day, Vice Chair, Stagwell

“In the future, I think the business world will include more remote work and less business travel. I also think there will be less emphasis on densely populated areas – for work and living.

Brand and Communications will play a big role in the future of business. In addition to the once-in-a-century changes from COVID-19 becoming permanent, the impacts of racial injustice

and societal unrest are of once-in-a-generation factors that will also impact everything going forward. Trust in the media is not improving and I don't see it changing, so the need for organizations to proactively, frequently and transparently communicate will continue to be important."

-Paul Gennaro, Senior Vice President and Chief Communications Officer, Voya Financial

"In a post-COVID business world, transparency will play a key role. As employees return to the office, they want to be assured that their health and safety is top of mind. The role of Communications will be to create messaging that describes the procedures and protocols that are being executed consistently and for the long-term to ensure a clean and safe office environment."

-Jon Harris, Senior Vice President and Chief Communications Officer, Conagra

"Alignment is a thing of the past. Agreement is required going forward. It's not enough for Investor Relations and Marketing to align on do-no-harm, lowest common denominator messaging. The functions across companies will need to collaborate until actual agreement is reached and it won't be as easy as it sounds."

-Catherine Hernandez-Blades, SVP and Chief ESG and Communications Officer, Aflac

"Within the healthcare sector, the pandemic has accelerated the use of telemedicine with healthcare professionals quickly adopting technology to provide virtual care. Likewise, the use of digital health continues to rise, playing a vital role in the detection and mitigation efforts designed to slow the pandemic spread.

From a communications perspective, we expect to see the continued strategic intersection of Communications, Corporate Social Responsibility, Policy, Human Resources and Operational Excellence, as we all work together to harmonize our message, approach and collective strengths to advocate for engaged employees and mobilizing the industry response."

-Moyra Knight, Vice President Corporate Communications, Astellas, US; President, Astellas Global Health Foundation

"It's hard to imagine that any business would return to the way it functioned in 2019. We envision much greater use of technology, potentially greater flexibility in core working hours and reduced international travel, not to mention ongoing efforts to monitor employee health and safety."

-Brian Lott, Chief Communications Officer, Mubadala

"Longer term, the question we'll need to address will be the future of how work is done based on what we've learned during this time. The pandemic has changed how we interact. It's changed the tools we use. Those serendipitous discoveries and exchanges that happen in the physical world are less likely in the digital realm. Going forward we'll have to consider how we maintain the strong culture we've built with a workforce that is less physically connected. Because of the shape of our logo, we often talk about being "Red Cube Proud." We celebrated the successes we had with our customers and employees by sharing them widely on Spark and

in our town halls. Our response reflected our culture and our values. At an extraordinary time, we came together.”

-Catherine Mathis, Chief Communications Officer, McGraw Hill

“This pandemic and the tragic death of George Floyd have shaken up the status quo and laid bare a lot of our country's deep-seated problems – from massive economic inequality to ongoing racial disparities to a lack of basic health care for people who need it. With so much uncertainty, with everything suddenly up for grabs, we as communicators can play an important role in leading to what comes next.”

-Jennifer Mauer, Head of Global Corporate Communications, Merck

“In a year's time, I think communications will be strengthened from this. I think the importance of the role of the communicator, the CEO whisperer, the trusted advisor will have gained acknowledgement and we'll be better prepared for this sort of thing, hopefully, as well from a communications perspective.

And employee engagement and internal communication will be as important as media relations and crisis and all the other things that go into the communications mix. But I think generally speaking, communications will have gone another step forward in terms of marketing if that is a battle that's to be had.

I think one of the upsides that will come about is flexibility. Remote working, yes, but I think flexibility will be even greater. I think that will help our industry in particular because it will mean there is a lot of flexibility for people like working mothers, who have to leave the industry because there isn't flexibility or willingness for remote work. I think that presents another upside.

Salary stagnation will probably happen. There are a lot of people that are out of a job. It will flatten out. For about how long? I'm not sure. It depends how long this goes on for, of course. We will see some salary stagnation, which is a shame because it was starting to pick up again. But that will be affected.

But generally, I do see the positives of this from a communications perspective because it's made communications more prominent and important.”

-Jamie McLaughlin, CEO, JWM Talent

“The tragedy of COVID-19 is plain to see and it feels wrong to find silver-linings when so much havoc has been wreaked on people's lives. The impact of the virus on our economy and society remains to be fully seen, but I have no doubt that it has created fundamental changes to our corporate culture and the role of communications alongside.”

-Dominic Pendry, Head of Corporate Communications, Bed Bath & Beyond Inc.

“The COVID-19 pandemic will have long-lasting effects on how we live our lives. As in the past, these impacts will manifest themselves as trade-offs made by individuals, companies and governments.

Since the pandemic is far from over, it’s too early to say how extreme these trade-offs will be. But I expect that by next year most Americans will view the world as a much more dangerous place than it was in 2019, and that will impact our calculations of risk and reward.

International corporations, for example, will have a tougher time making the argument that an interconnected global economy helps reduce the potential for conflict. Thomas Friedman predicted in *The Earth is Flat* that “No two countries that are both part of a major global supply chain. . . will ever fight a war against each other as long as they are both part of the same global supply chain.” While that statement may be true for wars, it doesn’t help predict behavior during a raging pandemic. The closing of national borders has created gaps in supply chains that were once optimized for efficiency and profitability.

Pressure is building for countries to become more self-sufficient, which means the isolationism pendulum will swing back in that direction. Firms headquartered in countries still willing to embrace globalization will need to build in greater redundancy in production and distribution. They’ll also want to become less dependent on one very large country (e.g., China) to manufacture their products.

That will be a major trade-off: A bit less efficiency and a higher price in exchange for a lower chance of being shut down during the next pandemic.

There are also numerous public affairs issues that need to be resolved once we make it through this crisis and as we prepare for the next one. Each government decision requires a trade-off. Here are two of them:

Cooperation vs. Independence: President Trump has backed away from the World Health Organization and various agreements to cooperate on pandemic response and vaccine development. If the U.S. were highly successful in battling COVID-19, it would be selfish not to assist other countries. But when the U.S. accounts for more than 25% of all cases and deaths worldwide, it is absurd not to join forces. One way or another, even if Trump wins re-election, I suspect we’ll see a tilt back toward cooperation.

Local Control vs. National Control: Countries that have managed the coronavirus well had a plan ready to go and they implemented it at the national level. In the U.S., however, it’s still not clear whether the federal or state governments are taking the lead on re-opening the economy, who will secure testing supplies and PPE when a second wave strikes, and who will pay all of the extra costs.

At a business and personal level, there are trade-offs Americans are already making or will need to make in coming months.

Other changes in behaviors and attitudes will ensue from the COVID-19 crisis. These include greater acceptance of digital retailing, telemedicine, online education, digital advocacy and voting-by-mail. (Over 60% of executives surveyed by the Public Affairs Council expect an increase in the use of digital advocacy strategies and nearly 80% think voting-by-mail will become much more common.)

As with remote working, each of these developments represents a trend that was already in motion before the pandemic began. But the toughest changes will result from the hard choices we haven't yet made."

-Doug Pinkham, President, Public Affairs Council

"How the business world looks post-COVID will depend on your business. Pharma, industrial, food production, consumer paper goods, etc., are all examples of industries that have been stable and/or seen business increase during the pandemic. Others, like travel and tourism, brick and mortar retail and casual dining have seen significant drops in demand and revenues. As each business looks at its recovery plans, strategic communications can help the business "monitor and adapt" messaging by reacting quickly with insights from the intended audiences. For example, when we were beginning to develop the Southwest Promise (our campaign effort to help travelers feel comfortable with our new policies and procedures), our intention was to "strongly encourage" mask/face covering among Customers. Marketing, for logical and practical reasons, didn't want to require them. But some initial messaging was soft sounded for Customer and political acceptance and the feedback was swift with the guidance that we should require masks/face coverings AND that the industry should act in unison and not airline by airline."

-Linda Rutherford, Senior Vice President, Chief Communications Officer, Southwest Airlines

"Strategic communications and communicators are in a vital but perhaps perilous place. In the understandable absence of clarity and certainty around what the future looks like, there will be an even greater than usual tendency to expect communications to "solve" important business and policy matters, rather than vice versa."

-Michael Schoenfeld, Chief Communications and Government Relations Officer, Duke University

"With businesses beginning to reopen, it can be tempting to think that we can just revert to our old ways or that proactive communication efforts we took in the early months of the pandemic are no longer needed. But the virus isn't going away, so neither is the disruption or uncertainty in our workplaces and economy. For that reason, communicators must hold firm—keep communicating regularly, clearly and with an emphasis on a greater cause."

-Erin Streeter, Senior Vice President of Communications and Brand Strategy, National Association of Manufacturers

"The confluence of traumatic events this year will linger long past the first wave of the coronavirus. Families of more than 100,000 U.S. victims and more than 1.5 million confirmed

COVID patients are struggling with its aftermath, and no one can predict with certainty whether more waves are on the way. The historic contraction of the U.S. economy in the first and second quarters of the year left tens of millions jobless – and others worried about their jobs. Lockdowns and social isolation have increased anxiety levels and led to greater demand for prescriptions to treat anxiety and depression. Meanwhile, a series of racially involved tragedies have stoked levels of social unrest not seen since the 1960s.

With all this as a backdrop, how do we show care for a partially remote workforce that is understandably uncertain, anxious and hurting? And how do we rally them to help achieve our company's goals? There will be a premium on communications that are authentic, empathetic and inspirational.

What's more, few company income statements and balance sheets are escaping the financial impacts of the recession. What if we have to communicate difficult decisions about headcount, pay, benefits or general expense reductions? Transparency is important, but so is conveying the "why" behind the decisions and connecting the dots for how employees can play essential roles in the company's strategy and future success.

There are more questions than answers at this point. But we need to start mapping out how we will retool corporate communications for a post-COVID, socially and economically tumultuous world."

-Chris Talley, Chief Communications Officer and SVP, Corporate Communications, USAA

"It's hard to know exactly how the world of healthcare will look post-COVID. But one of the things that we do know is that healthcare systems, including ours, figured out how to operate in the virtual space very early on. So, we have seen an incredible increase in our private practices' willingness to do virtual visits. That's not going to change when we're back into whatever the new norm is. That's going to be driven primarily by consumers saying, "you figured it out during the pandemic, so why can't I have a virtual visit with you now?" So, the marketplace is going to demand that healthcare provides services in a different way. The healthcare systems that will survive this are the ones who will stand up to the challenge and figure it out.

As for strategic communications, we're at the heart of this. One of the best compliments that one of my physician colleagues has given our team and by extension, the industry that we work in, is that he had said, "I realize now more than ever the importance of strategic communications in the middle of a crisis and in particular, a crisis that's a pandemic because if you don't have strategic communications council at the table, as decisions are being made, then folks are going to go off and do whatever they think they should do and they think is right, and it's not." So, I think the healthcare systems that have been afforded a seat at that strategy table early on are the ones that are going to be in a better place to compete on the other side of this pandemic."

-Chuck Wallington, Executive Vice President and Chief Marketing & Communications Officer, Cone Health

