IPR Institute for Public Relations
MEASUREMENT COMMISSION

The Relationship between CEO Media Coverage and Overall Organization Media Coverage

Nicole Lee

2012 Grunig PRIME Research Fellow

San Diego State University, School of Journalism and Media Studies

August, 2012

PRIME RESEARCH

Study Abstract

This study examines the relationship between the tone and visibility of media coverage about a CEO and an organization's overall media tone and visibility. This paper also examines how the topic of media coverage (strategy/vision, product, CSR, positioning, financial performance) impacts the relationship between CEO media tone and organization media tone. A content analysis was conducted of media coverage for 36 Fortune 100 companies and their CEOs within 53 opinion-leading U.S. media outlets between January 2010 and June 2012. The findings show a positive relationship between CEO visibility and organization visibility, as well as CEO media tone and organization media tone. A negative relationship was found between CEO media tone and organization media visibility, as well as CEO visibility and organization media tone. The tone of media coverage related to organization strategy, CSR and positioning had the strongest relationship with CEO media tone. The results from this study can inform practitioners what organization stories benefit most from CEO involvement.

Introduction

Chief Executive Officers are often seen as the face of a company in the media, but whether this is positive or negative has not fully been explored. This study examines how the tone and visibility of media coverage about a CEO relates to the overall media coverage that an organization receives and whether the topic of the coverage is relevant. There is a lack of empirical research in the public relations field to support common assumptions made about these relationships. However, research in the areas of CEO celebrity and the effectiveness of spokespeople from other fields informed this study.

CEO Celebrity

Much research has been done on CEOs, some of which has focused on the idea of CEO celebrity. The idea of CEO celebrity has been examined in relation to CEO decision-making (Hayward, Rindova & Pollock, 2004), customer loyalty (Jin & Yeo, 2011), consumer purchasing decisions (Sohn, Lariscy, & Tinkham, 2009), CEO compensation and corporate performance (Wade, Porac & Pollock, 1997).

Hayward et alia (2004) argued that journalists actually create celebrity CEOs by attributing the successes and failures of an organization to the CEO rather than environmental or industry factors, or even luck. These researchers also warned that CEOs may internalize such celebrity and believe that they have more influence than they do (Hayward et al., 2004). They posited that celebrity CEOs may even make organization decisions that are aligned with their celebrity status rather than what may be best for their organization (Hayward et al., 2004).

According to Hayward et alia, one way to measure CEO celebrity is to look at the portion of media coverage that a CEO receives in proportion to the media coverage of the organization overall. Another way they suggest CEO celebrity may be operationalized is how often company successes or failures are attributed to the actions of a CEO rather than outside factors (Hayward et al., 2004). Hypotheses related to CEO media visibility are as follows:

H1: There is a positive relationship between CEO media visibility and overall organization media visibility.

Hamilton and Zeckhauser (2004) looked at CEO media coverage in select top media outlets and some of the factors related to CEO coverage, such as the economic performance of a company. "As firm sales increase, the number of articles in the [*New York*] *Times* increases, while the overall percentage mentioning the CEO declines" (Hamilton & Zeckhauser, 2004, p. 33). Since increased sales are likely to drive positively toned coverage for the company, but Hamilton and Zeckhauser found that at the same time mentions of the CEO declined, the following hypothesis is proposed:

H2: There is a negative relationship between CEO media visibility and overall organization media tone.

Jin and Yeo (2011) conducted an experiment that examined, among other things, the relationship between media coverage and the CEO's reputation for leadership. They suggested that, "negative media coverage has the potential to damage corporate and CEO image. Thus, corporate and CEO image as presented in the media influences the development of customer loyalty," (Jin & Yeo, 2011, p.136). The research on CEO reputation leads to the following hypotheses:

H3: There is a positive relationship between CEO media tone and overall organization media tone.

RQ1: What is the relationship between CEO media tone and overall organization media visibility?

The Effectiveness of Spokespeople

The effectiveness of many different types of spokespeople and the impact they have on readers or viewers has been a topic of research. These spokespeople include employees (Reidenbach & Pitts, 1986; Stephens & Faranda, 1993), celebrities and created spokespeople (Tom, G., Clark, R., Elmer, L., Grech, E., Masetti, J., et al., 1992). However, most of the research in this area relates to advertising, not those who interact with the news media as the face of a company.

Within the area of employee spokespeople in advertising, Stephens and Faranda explored three different types of employee spokespeople: CEOs, front-office employees, and back-office employees (1993). Based on their experimental findings, they concluded that CEOs are less effective spokespeople than other employees, at least for the hotel and banking industries, the only industries they tested (Stephens & Faranda, 1993). CEOs received the most negative feedback both about themselves and their companies in general (Stephens & Faranda, 1993). The researchers posited that one reason for this is that "there seems to be some level of consternation in the U.S. population toward CEOs and other top corporate officers" (p. 41) based largely on their high compensation (Stephens & Faranda, 1993). The final recommendation of their study was to use front-office employees as spokespeople since the interaction with that employee is the most likely to determine a customer's experience with an organization (Stephens & Faranda, 1993).

Reidenbach and Pitts (1986) also looked at CEOs as advertising spokespeople. Their findings indicated that how well-known a CEO is, is not as closely related to their persuasiveness as their perceived credibility, expertise and integrity (Reidenbach & Pitts, 1986). These researchers also noted that the qualities of a spokesperson were not the only factors relevant to advertising effectiveness (Reidenbach & Pitts, 1986). The advertisement itself, product being advertised, and company are all factors that explain the variance in impact among advertisements (Reidenbach & Pitts, 1986).

Ferns, Emelianova and Sethi (2008) focused on the effectiveness of CEOs as spokespeople in the specific area of corporate social responsibility (CSR) and sustainability issues. Their study examined CSR reports distributed by organizations, not advertisements or news media (Ferns et al., 2008). They concluded that, “most of the readers view the CEO as a corporate spokesperson representing company’s values and are eager to listen to the ‘master’s voice ’” (Ferns et al., 2008, p. 127). These findings lead to the following research question:

RQ2: How does the topic of the coverage impact the relationship between CEO media tonality and organization media tonality?

Method

Content Analysis

According to Stemler, (2001) “content analysis has been defined as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding” (p.1). Content analysis is a fundamental method in mass communication and media research because it is the analysis of messages (Lombard, Snyder-Duch & Bracken, 2002). Since it looks at the message itself, content analysis is appropriate when the actual content is the focus of study (Riffe, Lacy & Fico, 2005). However, message content is related to antecedents such as psychological or cultural factors impacting the creator, and media effects impacting the receiver. Therefore, content analysis is often used in conjunction with other research methods when these antecedents or consequences are the focus of a study rather than the message itself (Riffe et al., 2005).

Content analysis is an appropriate method for this study because the purpose of the study is to analyze the media coverage of CEOs and their organization, not the impact of this coverage on readers, viewers and listeners. A quantitative study with a large data set, as presented here, allows for more reliable statistical analysis, including comparison among companies and CEOs.

This study used existing PRIME Research data that was collected and analyzed by specially trained human coders. Although human coding may be more time-consuming than software or automated content analysis, it allows for greater validity and accuracy because humans can understand context and meaning in a way that computers cannot.

Sample selection. Organizations analyzed in this study were based on various criteria. Since 2004, PRIME Research, an international research-based consultancy specializing in traditional and social media analysis, tracked media for approximately 100 US-based companies. Therefore, companies were selected based on this available data. Since the companies that are tracked vary in size, only Fortune 100 companies were chosen for this study, making for a more consistent sample. The sample was then narrowed to only include Fortune 100 companies that have had a single CEO since the beginning of 2010. The tenure of the CEO was necessary for this study so long-term media coverage of CEOs could be compared and not impacted by times of organizational change. After the list was narrowed based on these criteria, 36 organizations remained in the sample.

Data collection. Data collection was conducted by PRIME Research coders between January 2010 and June 2012. The coding unit of analysis was any individual presentation about one of the 36 analyzed companies within PRIME's United States media list (Appendix A) that includes 53 top media outlets. A presentation is a thematic unit in which one object is characterized or evaluated (explicitly or implicitly) in a specific manner.

A total of 513,150 presentations from 105,007 articles were analyzed. Six percent of this was coverage where the CEO was the subject and the rest was coverage of the company in general.

Coding Structure. Each presentation was coded for company, medium, date, headline, topic of message, tone, position in outlet, as well as other categories not relevant to this particular study. Tonality was coded based on a seven point scale from -3 (*very negative*) to +3 (*very positive*), with 0 indicating mixed tonality, and neutral statements excluded from analysis.

Presentations were also categorized as pertaining to management or the company. Corporate coverage was further categorized into *product, strategy/vision*, *CSR*, *positioning and financial performance*. The *product* category included all coverage related to a company's actual product including research and development, quality and recalls. Media coverage in the area of *strategy/vision* included all corporate strategies such as marketing, brand and public relations strategy. Location decisions, thought leadership and financial policy also were included in this category. The *CSR* category included sustainability practices, employment issues, charitable practices and diversity issues. *Positioning* was everything related to an organization's position in their industry and their relationship with competitors, suppliers and partners, as well as their overall competitive capacity. *Financial performance* coverage was all coverage related to revenue, business results, stock price and other economic topics.

The visibility of a presentation was weighted based on several variables: The reach of each medium, the position, size and prominence of the story, and the position, size and prominence of the content within the story all determine the likelihood of an individual receiving a message. Each individual message is weighted separately, rather than an article or medium having an overall weight.

Reliability. Four coders analyzed 75 presentations each to check reliability. Two-way random effects intraclass correlations (ICC [2,k]; Shrout & Fleiss, 1979) revealed that absolute agreement reliability was .96 for tonality (including mixed and neutral tonality), .88 for whether the presentation was about management or the corporation as a whole, and .77 for the topic category. Although the sample included data from other coders over the 2.5 year time period, the four coders were representative of other PRIME coders and included various experience levels and two-way random effects models assumes that the evaluated raters are drawn from a larger population of raters. All coders go through similar training procedures before beginning to code media.

Data Analysis. First, *CEO coverage* was defined as coverage where the CEO was the topic of the message and did not include instances where the CEO was quoted discussing other topics. All organization coverage about organization management was excluded from the organization coverage to ensure that there was no overlap between CEO media coverage and overall organization media coverage.

Next, the data was modified to fit this study. The sum visibility and mean tonality were computed for each CEO and company for each quarter since the beginning of 2010. The mean tonality of coverage for each of five topic areas (strategy/vision, product, CSR, positioning, financial performance) was also computed for each quarter. After these modifications, each line of data represented a single quarter of media coverage for an individual company, totaling 360 lines of data.

Correlations were then used to compute the relationships among variables. Correlations among CEO tone, CEO visibility, organization tone and organization visibility were all analyzed using SPSS software. Then, correlations between CEO tone and the five specific topic areas of strategy/vision, product, CSR, positioning, and financial performance were computed.

Findings

H1 stated that there is a positive relationship between CEO media visibility and overall organization media visibility. The hypothesis was confirmed. The Pearson correlation coefficient was computed to test the relationship between these two variables. The test showed there was a significant positive relationship between the variables ($r(360)=.48$, $p<.01$). This means that as CEO media visibility increases, overall organization visibility also increases.

H2 stated that there is a negative relationship between CEO media visibility and overall organization tone. The hypothesis was confirmed. The Pearson correlation coefficient was computed to test the relationship between these two variables. The test showed there was a negative relationship between the variables ($r(356)=-.12$, $p<.05$). This relationship was significant at the 95% confidence level, but not the 99% confidence level. This means that as CEO media visibility increases, overall organization media tone decreases.

H3 stated that there is a positive relationship between CEO media tone and overall organization media tone. The hypothesis was confirmed. The Pearson correlation coefficient was computed to test the relationship between these two variables. The test showed there was a significant positive relationship between the variables ($r(292)=.27$, $p<.01$). This means that as CEO media tone increases, overall organization tone also increases.

RQ1 asked about the relationship between CEO media tone and overall organization media visibility. The Pearson correlation coefficient was computed to test the relationship between these two variables. The test showed there was a significant negative relationship between the variables ($r(292)=-.24$, $p<.01$). This means that as CEO media tone increases, overall organization media visibility decreases.

Table 1

Correlations Among CEO and Organization Tone and Visibility

	CEO Tone	CEO Visibility	Organization Tone	Organization Visibility
CEO Tone	--			
CEO Visibility	-0.08	--		
Organization Tone	.27**	-.12*	--	
Organization Visibility	-.24**	.48**	-.20**	--

Note: *p< .05; **p < .01.

RQ2 asked how the topic of the media coverage impacted the relationship between CEO media tonality and organization media tonality. The Pearson correlation coefficient was used to test the relationship between CEO media tonality and the tonality of each of five organization coverage areas. The highest correlation was found between CEO media tonality and the tonality of media coverage in the "strategy and vision" topic area. The test showed there was a significant positive relationship between the variables ($r(284)=.29$, $p<.01$). The next highest correlation was found between CEO media tonality and the tonality of media coverage in the "positioning" topic area. The test showed there was a significant positive relationship between the variables ($r(287)=.27$, $p<.01$). The third topic area was coverage relating to CSR. There was also a significant positive relationship between tonality of this topic area and CEO media tonality ($r(288)=.25$, $p<.01$). The tone of financial or economic performance coverage showed a weaker correlation with CEO media tonality, but was still significant ($r(290)=.17$, $p<.01$). Finally, the relationship between CEO media tonality and the tonality of product media coverage was tested and found to be significant only at the 95% confidence level ($r(284)=.14$, $p<.05$).

Table 2

Correlations Between CEO Tone and Media Topic Areas

	Strategy/Vision Tone	Product Tone	Positioning Tone	CSR Tone	Financial Tone
CEO Tone	.29**	.14*	.27**	.25**	.17**

Note: *p< .05; **p < .01.

Implications and Discussion

Although often assumed, this study provides empirical data that CEO visibility is correlated to overall organization visibility. However, as CEO visibility increases, the tone of organization media coverage decreases. This is important for public relations practitioners because it shows that more coverage is not always better. Since the news media often focus on negative stories, measuring the amount of coverage an organization or CEO receives may not provide valuable insight into reputation. Crises are often situations where CEOs become the topic of media coverage, which is one explanation of why company tone decreases as CEO visibility increases.

For example, when AT&T failed at acquiring T-Mobile in 2011, it garnered negative coverage for AT&T. However, ATT CEO Randall Stephenson was blamed for the failure and received a pay cut because of it. Stephenson’s visibility increased in that time period. Neither variable caused the other, they were both simply products of the crisis.

The correlation between CEO media coverage tone and other organization media coverage tone also seems intuitive, but this study confirms that relationship using real-world data and shows that CEO reputation is important in overall organization image. While CEO media tone is positively related to overall organization tone, there is a negative relationship between CEO tone and overall organization visibility. This means that the more negative a CEO's media tone, the more media coverage an organization is likely to generate, which refers to the prevalence of negative news. While public relations practitioners can utilize the reputation of a CEO to help the tonality of organization media coverage, a CEO's positive reputation may not generate a greater volume of coverage for the organization.

An example of this is Honeywell and its CEO, David Cote. Media coverage about Cote is very positive in tone as is Honeywell's overall media tone. Since CEO media coverage is coverage where the CEO is the subject of the coverage, this type of coverage often comes from one-on-one interviews. While this is a great way to generate positive coverage, it does not drive visibility like crises or other material events.

This study also demonstrates the areas which link most strongly to CEO reputation. The tone of product-related coverage had the lowest correlation with CEO tone, which suggests that a CEO's media image is not closely tied to how the media cover a company's products. Because of this, public relations practitioners working with a CEO who has a negative image may wish to highlight their company's products rather than other organization news. These findings are consistent with findings from the advertising field that frontline employees are more effective than CEOs when communicating about topics related to customer experience (Stephens & Faranda, 1993). The tone of coverage related to CSR, organization strategy, and organization positioning has the strongest correlation to CEO media tone. This suggests that these may be areas that benefit from a CEO with a positive reputation or they are areas that contribute to a CEO's reputation. Public relations practitioners working with organizations that have CEOs with positive tonality may find opportunities to generate positive media coverage, especially if they involve the CEOs in the stories. The specific area of CSR is consistent with research done on using CEOs as spokespeople in CSR reports (Ferns et al., 2008).

The tone and visibility of CEO media coverage does not account for all the variance among the media coverage of organizations, but this study shows that CEO media popularity and tone relate directly to an organization's overall media tone and visibility even when the company's management is not the topic of the coverage.

Limitations

One limitation of this study is that it only focuses on the media coverage on CEOs and their organizations. While an organization's media coverage provides valuable insights as far as messages that are being delivered to readers, viewers and listeners, it does not capture how these messages impact their attitudes or behaviors.

Another limitation of this study is that it focuses on specific top-tier traditional media outlets. Expanding the study to include blogs or even social media outlets could impact the findings.

Also, the sample only included companies that had a single CEO between January 2010 and June 2012. While this allowed for a great sample of media over a longer time period, it excluded cases where CEOs were fired during that time period. Including such cases would likely result in a greater variety in tone and show the impact of CEOs with a particularly negative reputation.

Finally, observing a relationship between CEO media coverage and overall organization media coverage cannot determine a causal relationship. While the CEO's media reputation may influence the organization's media reputation, it could also be the opposite. There are also several other variables that play into the relationship such as financial performance and customer satisfaction.

Future Research

This study lays the foundation for future research in this area. A stakeholder survey measuring opinions about a CEO and their organization would provide insight into the importance of CEO and organization media coverage and capture whether a CEO's media reputation reflects the public's feelings.

Another opportunity is to study these trends over time in order to make further inferences about causality. If changes in organizational coverage follow changes in CEO coverage, this could provide valuable information for practitioners.

Further research should also include blogs and social media to determine if the relationship between CEOs and their organizations is the same on new media as traditional media. Looking at social media can also provide greater insight into the opinions of stakeholders other than journalists.

References

Ferns, B., Emelianova, O., & Sethi, S. (2008). In his own words: The effectiveness of CEO as spokesperson on CSR-sustainability issues - analysis of data from the Sethi CSR monitor. *Corporate Reputation Review*, *11*(2), 116-129.

Hamilton, J. & Zeckhauser, R. (2004). *Media coverage of CEOs: Who? What? Where? When? Why?* Paper presented to Workshop on the Media and Economic Performance, Stanford Institute for International Studies, Center on Development, Democracy, and the Rule of Law.

Hayward, M. L. A., Rindova, V. P., & Pollock, T. G. (2004). Believing one's own press: The causes and consequences of CEO celebrity. *Strategic Management Journal*, 25: 637–653.

Jin, C., & Yeo, H. (2011). Satisfaction, corporate credibility, CEO reputation and leadership effects on public relationships. *Journal of Targeting, Measurement and Analysis for Marketing*, *19*(2), 127-140.

Lombard, M. Snyder-Duch, J., & Bracken, C. (2002). Content analysis in mass communication: Assessment and reporting of intercoder reliability. *Human Communication Research*, *28*(4), 587-604.

Reidenbach, R., & Pitts, R. (1986). Not all CEOs are created equal as advertising spokespersons: Evaluating the effective CEO spokesperson. *Journal of Advertising*, *15*(1), 30-46.

Riffe, D., Lacy, S., & Fico, F. (2005). *Analyzing media messages: Using quantitative content analysis in research*. Mahwah, N.J: Lawrence Erlbaum.

Shrout, P.E. & Fleiss, J.L. (1979). Intraclass correlations: Uses in assessing rater reliability. *Psychological Bulletin, 86*(2), 420-428. doi: 10.1037/0033-2909.86.2.420

Stemler, Steve (2001). An overview of content analysis. *Practical Assessment, Research & Evaluation*, 7(17). Retrieved August 7, 2012 from http://PAREonline.net/getvn.asp?v=7&n=17

Sohn, Y., Lariscy, R., & Tinkham, S. (2009). The impact of CEO reputation: Negative news and economic decisions. *International Journal of Strategic Communication*, *3*(1), 1-18.

Stephens, N., & Faranda, W. (1993). Using employees as advertising spokespeople. *Journal of Services Marketing*, *7*(2), 36-46.

Tom, G., Clark, R. , Elmer, L. , Grech, E. , Masetti, J. , et al. (1992). The use of created versus celebrity spokespersons in advertisements. *The Journal of Consumer Marketing*, *9*(4), 45.

Wade, J., Porac, J., Pollock, T., & Graffin, S. (2008). Star CEOs. *Organizational Dynamics*, *37*(2), 203-210.

Wade, J., Porac, J., Pollock, T., & Meindl, J. (1997). Part v: Other consequences of corporate reputation: Hitch your corporate wagon to a CEO star? Testing two views about the pay, reputation, and performance of top executives. *Corporate Reputation Review*, *1*(2), 103-109.

Appendix A

Category	Outlet	
National Newspapers	USA Today New York Times Financial Times	Wall Street Journal Washington Post
Business and Weekly Magazines	Time Forbes Fortune	Newsweek Business Week Economist
National Broadcast Networks	ABC CNN MSNBC CBS	Fox News Channel NBC CNBC
Newscasts and News Magazines	ABC - Good Morning America ABC - World News CBS - Morning News CBS - The Early Show CNBC - Squawk Box CNBC - Squawk on the Street CNBC - Closing Bell CNN - Newsroom	CNN - American Morning FNC - Your World NBC - Early Today NBC - Nightly News NBC - Today PBS - NewsHour PBS - Nightly Business Report
Online News	CNN.com Money.CNN.com MSN.com MSNBC.com	News.AOL.com News.Google.com News.Yahoo.com
Regional Print	Atlanta Journal - Constitution Arizona Republic Boston Globe Chicago Tribune Dallas Morning News Detroit Free Press Houston Chronicle	Los Angeles Times Miami Herald Minneapolis Star Tribune Philadelphia Inquirer San Francisco Chronicle Seattle Times