



2024

Chief Communications
Officer Turnover Study

Introduction

The functional area of Communications and Corporate Affairs has experienced more growth, development and change than any other functional area within corporations over the last five years. These days, a corporation's stakeholders (customers, employees, investors, regulators, etc.) expect more out of the organization (and its leadership). Moreover, the Venn diagram of these stakeholder expectations began to show more overlap, creating opportunities for them to integrate. Emboldened by finding common ground with others and empowered with the tools to communicate both at scale and in a highly targeted manner, these stakeholders have also become more vocal in articulating their expectations (or dissatisfaction) and more active in pushing for meaningful change. The intensity of this growth, development and change impacted the role of the Chief Communications Officer.

Why a CCO Turnover Study?

At Patino Associates, we find ourselves drawn to not only why turnover occurs, but the results of the hiring process that completes the turnover. Given our role as evaluators of outstanding executive talent within communications, we have observed the changes in the function (and what is required of it) from our front row seat. Moreover, we began to detect changes occurring in the market for Chief Communications Officer talent. There are plenty of studies that track the turnover of CEOs, CFOs, COOs and even CMOs; but none for CCOs.

In creating our 2024 CCO Turnover Study, we examined decision trends of CEOs relative to the hiring of the Chief Communications Officer (and increasingly Chief Corporate Affairs Officers) for the world's leading global organizations. The data that we captured is powerful and surprising in some facets. Even in a down year for hiring CCOs, we noticed statistical truths that cemented what we have observed anecdotally for some time. The shift in these CCO hiring decisions over the last five to ten years have created demographic diversity not seen in other C-suite positions.

The Big Picture

Turnover Rates Are at a Three Year Low

For the previous calendar year, the CCO position at Fortune 500 companies turned over at an 8% rate. This represents a five-year low for turnover for this position. In the previous two years (2021 and 2022), the turnover rate for CCOs was near double (or more) than that of 2023.

The low turnover rate in 2023 is tied to two trends. First, there was a natural pause after a super-cycle of investment in this functional area from 2019 to 2022.

Second, there was a relative slowdown in CEO turnover within similarly sized organizations at 9.2%.¹ There is naturally some level of correlation between CEO turnover and turnover more broadly in the C-Suite as CEOs may choose to install their preferred executives in key roles.



Internal Promotions vs External Hiring in the C-Suite

Among these new CCOs, there were an equal number of external hires versus internal promotions. This represents a dramatic departure from CEO and CFO hiring. The rate of external CEO hire is 21.7% for 2023 and averaged 22.37% over the last 10 years.

The rate for external CFO hiring is 42.9% for 2023, but averaged 38.12% over the last 10 years.²

1. Spencer Stuart. “2023 CEO Transitions.” <https://www.spencerstuart.com/research-and-insight/2023-ceo-transitions>

2. Crist Kolder Associates. “Volatility Report 2023.” <https://www.cristkolder.com/volatility-report>

Reasons to Look Externally

The CCO has become a valued member of the senior management team and expectations for the position and the function have been elevated. In many cases, companies are forced to look outside for a new CCO because the delta between the outgoing CCO and their leading deputy is far too great for senior management to bridge. While this capability gap is sometimes perceived and sometimes actual, the good news is that internal candidates are increasingly involved in the search process. We have anecdotally observed an increase in companies seeking to fill Chief Communications Officer positions that involve both internal and external candidates in the process, seeking to determine what, if any, capability gap exists between their internal talent and outstanding communications leaders at other companies.

At the heart of this statistical discrepancy is the reality that even large communications teams (30+ FTEs) have mostly flat structures, leaving few opportunities for development and advancement. Only the largest, most progressive communications functions have implemented structured development plans designed to prepare their sub-functional leaders (Head of internal/employee communications, external communications, etc.) to learn the nuances of disparate stakeholder perspectives on the issues of the day. In many cases, the leading internal candidate is (or is viewed as) narrowly focused on one sub-functional area and might lack the strategic breadth to counsel senior executives in rapidly changing situations. This is bolstered by our data, which shows that 55% of external hires into the CCO position had previous experience as a CCO.

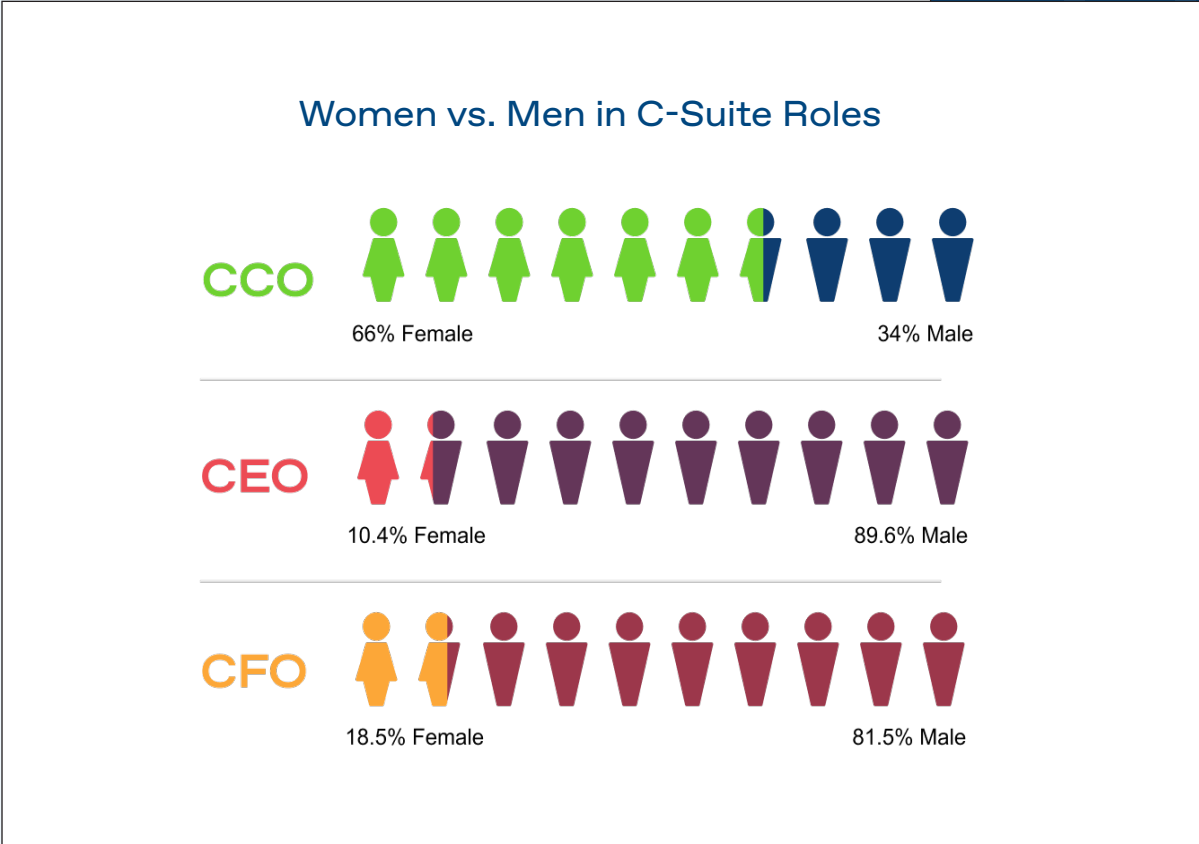


Women in the Lead

Over the last decade, significant investments have been made within the community of communicators to strengthen the caliber of talent to meet the rising demands of these senior-most roles. Communications talent has had access to internal and [external resources](#) to help them become not just storytellers, but business leaders.

At the same time, the communications industry has been at the forefront of seeking diversity and equity in its ranks at all levels, especially the senior-most positions. These pipeline investments have delivered a significant return, especially as it relates to gender equity in a profession where the leadership bar has been dramatically raised since 2020.

At the end of 2023, 66% of the CCO roles at Fortune 500 companies were held by women. Compare this to the 10.4% of Fortune 500 CEOs³ who are female and the 18.5% of female CFOs in a comparable grouping.⁴



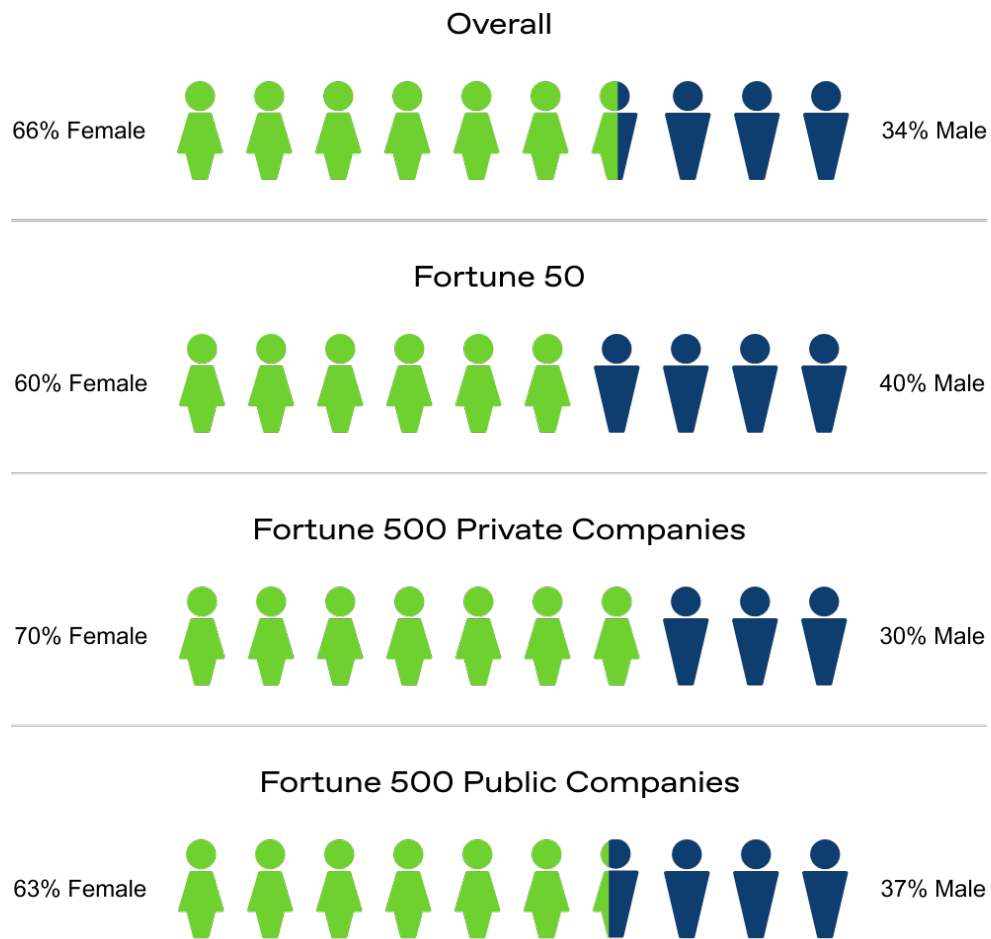
3. Hinchliffe, Emma. “Women CEOs run 10.4% of Fortune 500 companies. A quarter of the 52 leaders became CEO in the last year.” Fortune. <https://fortune.com/2023/06/05/fortune-500-companies-2023-women-10-percent/>

4. Crist Kolder Associates. “Volatility Report 2023.” <https://www.cristkolder.com/volatility-report>

The proportion also holds at the largest companies. Women hold 60% of the CCO role at Fortune 50 companies (with an additional 6% of roles unfilled at the time of publication).

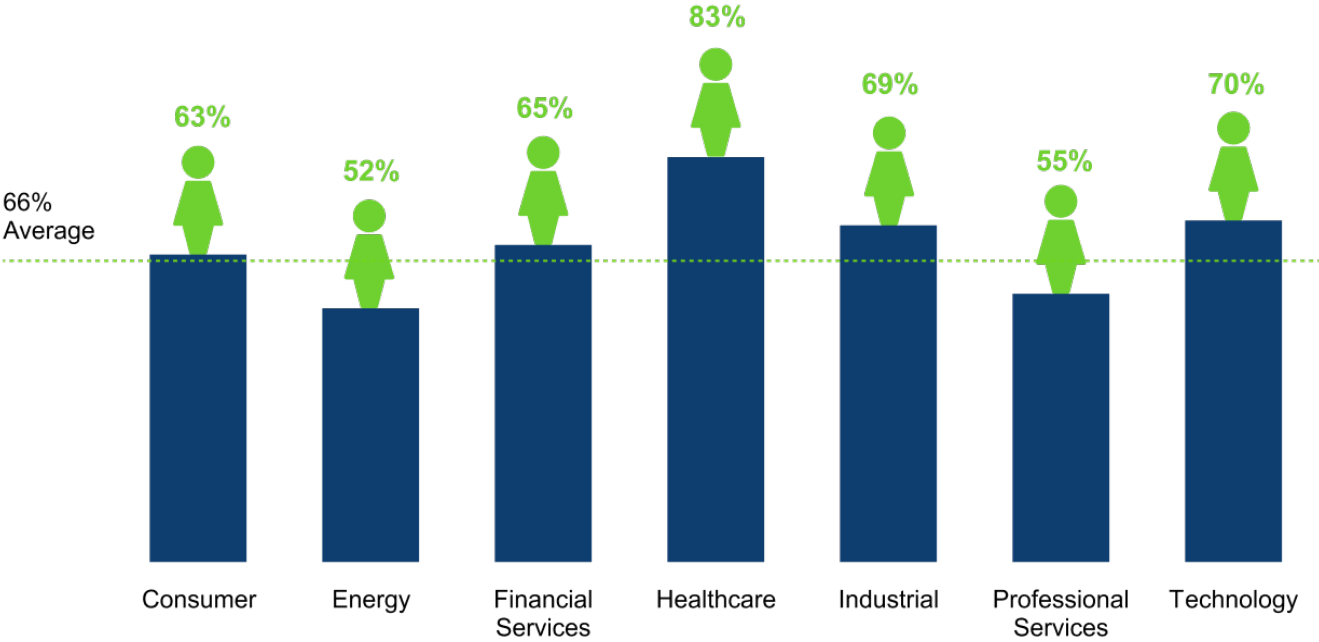
Finally, the proportions also hold across type of business with women holding the CCO role at 70% of private Fortune 500 companies and 63% of public Fortune 500 companies.

Women CCOs In Private vs. Public Companies



As we examine the data on an industry basis, half of the major industries (Consumer, Financial Services and Industrial) hew statistically close to the overall demographic trend. We expected that Healthcare would have the highest ratio of Female CCOs because of the abundance of female executive level communications talent both in corporations and in communications agencies. Energy is the relative laggard of the group; but women still hold more than 50% of the CCO positions within the industry.

Women CCOs by Industry



Turnover vs. Tenure

When discussing turnover, the corresponding inverse is tenure, or longevity in the position. As previously discussed, 2023's turnover rate was the lowest in 5 years after a particularly intense period. At the end of 2023, more than half (59%) of Fortune 500 CCOs have been in their current role for less than five years. As a result, the average tenure of Fortune 500 CCOs is 4.6 years, which is also the average tenure of all Fortune 500 C-Suite executives.⁵ By comparison, Fortune 500 CEOs average 7.1 years in role and Fortune 500 CFOs average 4.7 years in role.

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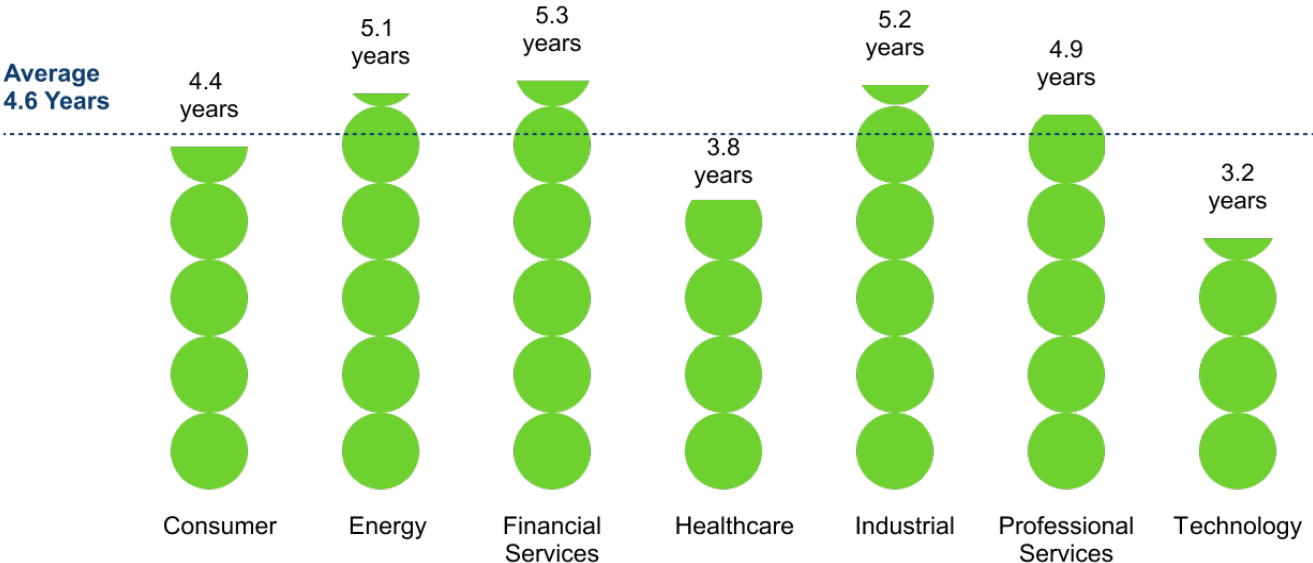
Average Tenure for the C-Suite



5. Spencer Stuart. "Fortune 500 C-Suite Snapshot: Profiles in Functional Leadership." December 2023. <https://www.spencerstuart.com/research-and-insight/fortune-500-c-suite-snapshot-profiles-in-functional-leadership>

As we look at tenure by industry, we see a greater disparity in the range of data points. The current tenure of Technology CCOs is barely over three years, whereas the majority of Fortune 500 (represented by Energy, Financial Services and Industrial) CCOs had a tenure exceeding 5 years.

Average Tenure for CCOs by Industry



What's Impacting CCO Longevity?

There have been a number of factors that have intensified over the last few years that have spurred turnover in the CCO role.

Executive Turnover

Historically, if a new CEO joined a company, the first two executives (asked) to leave were the CFO and the CCO - almost immediately in some cases. Both were typically seen as highly aligned to the predecessor. Today, there is still a high likelihood that a new CEO may want to bring in their own choice of Chief Communications Officer. However, we would say that anecdotally, we have noticed a longer "grace period" to determine fit and a greater likelihood that clear goals and operational parameters were set in order to measure success.

A Rapidly Evolving Environment

Even for the most successful CCOs, keeping up has become harder than ever. Increasingly vocal and sophisticated audiences have new or inflated expectations. Channel strategy is a moving target as audiences seek out trusted channels for information. The influx of data and analytics into communications has pushed a function that long operated like an art into a function seeking to operate like a science.

Expectations vs. Resources

On top of it all, this generation of CEOs has a greater appreciation for, if not understanding of, communications. This reality is a double edged

sword. Yes, CCOs have earned their seat at the proverbial table, but the expectations and scrutiny on this function are greater than ever. Even with the unprecedented hiring boom in communications from 2020 to 2022, the amount of resources has not kept up the additional expectations of C-Suite leaders. While there have been layoffs in the last 12 to 18 months, they have not been the kind of widespread career carnage that we saw in 2008. In most cases, companies are reducing hiring, in many cases not backfilling roles when employees depart. The remaining team members wear more hats and pick up more/broader responsibilities, thus intensifying stress and leading to our final point.

Mental Health and Burnout

All of the above realities create more stress for senior communicators than ever before. The State of Mental Health for Communications Professionals by Innovate Comms, Harvard and CCgroup report⁶ found that one in two communications professionals have experienced severe stress, anxiety or burnout in the past twelve months – up to three events on average. They reported that these events occurred because of too many demands on their time, poor corporate/ executive culture that allowed for bullies to exist and a diminished sense of value (typically manifesting as dissatisfaction with compensation).

We will continue to pay attention to these factors as we monitor the overall health of the market for these senior level roles, and their impact on career longevity, in the coming years.

6. State of Us. "The State of Mental Health For Communications Professionals." <https://static1.squarespace.com/static/632ad01b53d5505fadac7c25/t/640f52dbb9397517d53a552f/1678725856082/State+of+Us+Report+Mental+Health+in+Comms.pdf>

Conclusion

Despite the five-year low in turnover, we expect a return to a double digit turnover rate in the coming year and beyond. We expect that C-Suite expectations will continue to rise as companies grapple not only with an inconclusive view on the economy, but with the implications of and results from the U.S. Presidential election as well as 64 other countries (and the European Union) scheduled to hold national elections in 2024. We also anticipate a resurgence in the IPO market (led by long-held private equity portfolio companies and not venture-backed companies) to begin to create an active labor market for senior communications leaders.

Industry experience, even in highly regulated industries, is less of a demand from CEOs than before because outstanding CCOs will be able to transcend industry by translating their current business model to a new one and therefore develop strategies and offer counsel relevant to the new company. We expect to see shifts in the data that we have analyzed and presented in the coming years.

Methodology

The Patino Associates 2024 CCO Turnover Study measures the turnover of the senior-most Communications and Corporate Affairs executives while also evaluating the types of candidates coming to occupy these increasingly critical roles within a corporation's executive team. Patino Associates examined each of the companies on the Fortune 500 list, noting personnel and organizational changes within the Communications and Corporate Affairs roles and structures.

Leveraging Patino Associates' proprietary database, as well as publicly available information, we sought to quantitatively ascertain the following:

- Whether a Fortune 500 company had changed its CCO during the calendar year of 2023. In each case, a change meant that a new individual occupied the seniormost role. "Promotions" as discussed in the report are not the same person being promoted (e.g. VP, Communications to SVP, Communications)
- Whether the incoming CCO was an internal promotion or an external hire
- If the current role was either newly created or substantially different structurally (with either greater or lesser responsibility) than that of the predecessor
- If the incoming CCO had previously served in a comparable CCO role as the head of corporate communications for either a publicly traded or private company
- Whether the incoming CCO previously worked in the industry of his/ her current employer
- Rates of change amongst the above criteria by industry

This data was then discussed among Patino Associates principals, clients, and various industry executives. These conversations informed our qualitative commentary and insight included throughout the study. The Patino Associates CCO Turnover Study contains data through December 31, 2023.