

Unclear CEO expectations often lead chief marketing officers toward revolving door

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IU Kelley School of Business professor Neil Morgan found that more than 40 percent of chief marketing officers have been in their roles two years or less, and 57 percent three years or less. Credit: Indiana University

Nearly three-quarters of chief marketing officers believe their jobs

aren't designed to let them have the greatest impact on their companies, according to a new survey.

Chief marketing officers frequently suffer from having poorly designed jobs, accounting for why they have the highest rate of turnover among all roles in the C-suite.

The survey, conducted by Neil A. Morgan, professor and PetSmart Distinguished Chair of Marketing at Indiana University's Kelley School of Business, and Kimberly Whitler, assistant professor of marketing at the University of Virginia's Darden School of Business, found that more than 40 percent of chief marketing officers have been in their roles two years or less, and 57 percent three years or less—a significantly shorter tenure than any other C-level executive.

This "revolving door of CMO short-timers" affects how consumers view the company, since new chief marketing officers often change some or all of their predecessors' strategic direction for positioning, packaging and advertising. These changes also come at a significant financial cost.

The researchers presented their findings in the current *Harvard Business Review* article, "[Why CMOs Never Last and What to Do About It.](#)"

"We believe that a great deal of CMO turnover stems from poor job design," Morgan and Whitler wrote. "Any company can make a bad hire, but when responsibilities, expectations and performance measures are not aligned and realistic, it sets a CMO up to fail."

They interviewed more than 300 executive recruiters, CEOs and chief marketing officers; conducted multiple surveys of chief marketing officers; analyzed 170 CMO job descriptions at large firms; and reviewed more than 500 LinkedIn profiles of CMOs. They found more disparity in how the chief marketing officer's role was defined and much

more than for any other C-level role.

Morgan and Whitler found common core CMO responsibilities. More than 90 percent of chief marketing officers were responsible for marketing strategy and implementation, and more than 80 percent controlled brand strategy and customer metrics.

"But beyond that, the range of duties—from pricing to sales management, public relations to e-commerce, product development to distribution—is mind-boggling," they said. "Even before considering candidates for the job, a CEO must decide which kind of CMO would be best for the company."

Their research identified three types of chief marketing officers: the strategist who makes decisions about firm positioning and products, accounting for 31 percent in their survey; the "commercializer" who drives sales through marketing communications (46 percent); or someone who is an enterprisewide profit-and-loss leader who handles both roles (23 percent).

The key problem is that CEOs and executive recruiters do not do a good job of identifying the type of role that the firm needs the chief marketing officer to play before they identify and evaluate candidates. Rather, they look at CMO candidates and select the one the CEO rates highest—which assumes that the CEO knows what type of chief marketing officer the firm needs.

That turns out to be a false assumption in most cases. This is much less of a problem for chief financial officers, chief information officers or even chief human resources officers, where there is much more standardization in the role these executives play across firms and industries.

To solve the problem of identifying the type of chief marketing officer they need before looking at candidates, Morgan and Whitley said CEOs need to take into consideration:

- The degree to which consumer insight needs to drive firm strategy.
- How difficult it is to achieve firm-level growth.
- The level of dynamic change in the marketplace.
- The historical role of chief marketing officers in the organization.
- The firm's structure, including whether the marketing function is centralized or dispersed throughout the organization.

Once they have identified the type of chief marketing officer they need, CEOs must design the role to align with what the firm needs from that person before looking for candidates. This "role design" part of the process is also done badly most of the time.

"Alignment of responsibilities is the critical area where mistakes are made. It's common for companies to describe a role in which the CMO is expected to change the overall performance of the firm," Whitley and Morgan wrote.

"Expectations typically far exceed the actual authority given the CMO," they added. "That problem is often compounded when CEOs are wooing candidates who already have good [jobs](#)."

"While overpromising and 'up-selling' are common in recruitment across many functions, our research suggests that they can be a bigger issue in marketing, because of the general confusion and lack of uniform expectations about what a CMO does and the knowledge and skill differences among marketing executives."

Only 22 percent of the job descriptions Morgan and Whitler studied mentioned how chief marketing officers would be measured or held accountable, and only 2 percent had a specific section that clearly spelled out job expectations.

When searching for the best CMO candidate, Morgan and Whitler also point to the increased importance of experience in shaping knowledge and skills relative to other functions due to the lack of professional certifications in marketing, compared to those required of lawyers and accountants.

Only 6 percent of the chief marketing officers in their survey had degrees in marketing. Although 44 percent had MBAs, their educational backgrounds varied and included degrees in other disciplines such as engineering, philosophy and political science.

This means that most chief marketing officers learn most of their marketing "on the job," making their prior experiences and employers of key importance in determining their knowledge and skills.

"Another stumbling point, in our analysis, is that in almost all CMO job descriptions there are significant gaps between the responsibility given and the experience required," they added.

Whitler received her Master of Science and doctorate at Kelley and previously was an officer at PetSmart, leading the company's marketing strategy division, and a chief marketing officer at David's Bridal and Beazer Homes.

Provided by Indiana University

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