Tested, Trusted, Transformed
An exploration of the Corporate Affairs Function and its Leaders

2023
Introduction: Why did we do this research?

Executive Summary: Insights from the report

01 The Corporate Affairs Function

1.1 What is the typical size of a Corporate Affairs Function?
1.2 What is the purpose, and key responsibilities of a Corporate Affairs Function?
1.3 What were the key priorities in 2022?
1.4 What are the critical attributes of a modern Corporate Affairs Function?

02 Governance

2.1 Corporate Affairs Directors reporting lines
2.2 Corporate Affairs Directors contribution to the Board/Executive Committee
2.3 Perspective from the Boardroom
2.4 Attributes the Board values most
2.5 Five Faces of Corporate Affairs Directors

03 Impact

3.1 Measurement and evaluation
3.2 Where the Corporate Affairs Function has the largest impact

04 Future

4.1 Priorities for 2023
4.2 External trends
4.3 What future competencies are Corporate Affairs Directors focusing on?

05 Conclusion

5.1 Five maxims of the Corporate Affairs Function

06 Appendix

07 Methodology

08 Contact us
Introduction

Why did we do this research?
Introduction – Why do this research?

Such is the wholesale professionalisation of the Corporate Affairs (CA) role it is hard to overstate the changes in responsibility, influence and impact that now define the modern CA Director.

One of the defining moments for the profession was the COVID-19 pandemic. In the middle of 2020, The Deloitte Academy hosted a webinar for Non-Executive Directors on resilience models, *Resilience Reimagined*.

One of the Board Directors, a FTSE100 Chair, remarked on the essential value of his organisation's Communications and Public Affairs department supplying vital confidence to employees and policymakers alike.

He crystallised a truth about the value of the contemporary CA Function in times of complexity and change.

The truth being that the CA Function is a dedicated capability to decode the pulse of employees and the demands of the external world, to advise on decision making and to communicate the motives and actions of an organisation.

In interviewing thirty CA Directors from FTSE100, Fortune500 and Euronext 100 companies (see Methodology pg 33 for details) we sought to shine a light on this fascinating leadership role in order to better understand their strategies and ways of working.

'Tested, Trusted, Transformed' is an effort to capture the current state of the Corporate Affairs Director's role, their strategies and increasing proximity to the Boardroom. In our research report we find corporate affairs is:

- **Tested** to navigate a perfect storm of crises
- **Trusted** by their peers, leaders and Boards
- **Transformed** into a multidisciplinary value focussed function

Boards and executives are leaning into their CA Functions like never before for **insight** and **data** into audience expectations, **advice** on the right course of action, **influence** on the stakeholder ecosystem and perspective on staying true to purpose.

For Directors and Executives, we hope this report is a helpful guide to understanding in more depth the business of the CA Function, its leaders and how they can best support organisations achieve the essential outcomes of creating value, motivating employees and retaining the precious, but hard won, trust of society.

Executive Summary

Eight takeaways from the report
Executive Summary – Eight takeaways from the report

**Growth mindset:** One significant change we detect is the shift from a defensive to a growth mindset for how a CA Function operates. Teams are no longer afraid to be judged on their commercial contribution and have dropped their previous reluctance to be evaluated beyond reputation and communication metrics, e.g., press coverage. As one Director said: “we exist unequivocally in service of business growth.”

**Inside out:** For a profession often occupied with external audiences, CA Directors identified employees and internal communications as their number one priority coming into 2023 and their third most important competency to strengthen. A significant development for the industry.

**Navigating social change:** CA Directors come into their own through their ability to synthesize a variety of signs, signals and shifts in the external landscape. Increasingly they are asked by Boards to steward their organisations through polarised societies, complex issues, and internal and external activist audiences.

**Five faces:** A distinct set of attributes, or faces, can be identified in today’s CA Director. **Editor, Talent Builder, Architect, Strategist and Ambassador.** [See page 19 for a detailed breakdown.]

**Companies for the people:** Leaders today lead more than just their business; they also support and enable the delivery of wider societal change. Effective CA Directors understand that companies must deliver both for investors and broader stakeholders. They skilfully align a company’s purpose, actions, and narrative to society’s needs.

**Trust-builders:** An ability to inspire trust and confidence is the most desired attribute of CA teams by their leaders. More than other highly sought after qualities such as resilience and judgement, is the credibility to earn the trust of audiences inside and out. As put by one Director: “you have to be confident but not arrogant; capable and approachable.”

**Data hungry:** Over half of the CA Directors interviewed identified data, insight and digital transformation as the leading driver of change to the CA Function. Unlike Functions such as marketing, the CA Function has traditionally operated more on qualitative insight and intuition. Driven by a determination to embrace data, data analytics and broader technology, the CA Function is now stepping into the digital era.

**In the room where it happens:** Around two thirds of CA Directors we spoke to have a seat on the Executive Committee (ExCo), and two thirds report directly to the Chief Executive Officer (CEO). Access to and inclusion in the strategic decision-making process within their organisations is now formalised, reflecting the value they bring.
Our Report in Numbers

Of the CA Directors we spoke to:

- **86** is the average size of the CA Function by employees
- **371** employees is the largest, **7** the smallest
- **66%** of CA Directors report into the CEO
- **27%** identified navigating social change as their priority in 2022
- **66%** of CA Directors sit on the ExCo
- **#1** attribute for the CA Function is inspiring trust
- **#2** attribute for the CA Function is good judgement
- **Only 1** leader identified technical skills as the most important attribute of a CA Function
- **58%** see data and insights as their No. 1 competency to strengthen
- **41%** see the Environmental, Social and Governance (ESG) agenda as their No. 2 priority competency to build
- **64%** are experimenting with new types of communication and campaigns as audience habits change
- **CA Directors identified their**
  - **#1** issue in 2023 as managing a dynamic external landscape including the cost-of-living and energy crises
01

The Corporate Affairs Function

1.1 What is the typical size of a Corporate Affairs Function?
1.2 What is the purpose, and key responsibilities of a Corporate Affairs Function?
1.3 What were the key priorities for 2022?
1.4 What are the critical attributes of a Corporate Affairs Function?
Part One – The Function

1.1 What is the typical size of a Corporate Affairs Function?

Our interviewees were asked “what is the headcount of your Function and how is this changing?”

Across industries the size of the CA Function varies. The majority of CA Directors we spoke to have large headcounts, averaging at 86.

This reflects increased demand for their services. Data shows a notable contrast between the smallest and largest headcounts captured in the survey.

Headcount ranged from 7 to 371.

For the majority of organisations, headcount is either static (44%) or increasing (40%), with only 16% seeing a decrease.
1.2 Responsibilities:

To understand how CA Functions deliver their mandates, interviewees were asked, “what are the key responsibilities of your function?”

We learnt that some CA Functions place a high focus on reputation and reactive decision making, whereas others are growth focused, prioritising brand awareness, content creation and commercial outcomes.

Regardless of these variances, it is evident that all CA Functions have evolved in recent years, and have become increasingly broad in their remits. Core responsibilities include:

- Internal communication
- External communication
- Government affairs
- Campaigning
- Digital and social media
- Investor relations and financial PR
- Storytelling
- Crisis and issues management
- Data, insight and planning
- Strategy
- Regulatory affairs
- ESG
- Publishing
1.3 What is the mission and purpose of a Corporate Affairs Function?

When asked “What is the stated purpose/mission of the Function?”, our interviewees’ answers can be categorised in three ways:

- **Reputationally focused**: their purpose statements varied between being reputationally focused such as “protecting reputation, putting out fires” and “building the company’s reputation to advance our corporate agenda”

- **Strategic Storyteller**: providing advice and challenge e.g., “providing the insight, counsel and challenge that our leaders need to communicate vision and convey purpose.”

- **Growth focused**: such as “unequivocally in service of business growth through fostering relations” and “create new conversations and campaigns to help the business grow into new markets.”

Refer to Appendix A to get a full list of corporate affairs purpose statements.

“Our purpose is to be the most trusted connector of people, devices, and networks. There is a commercial advantage of being seen as trusted partly because we handle peoples’ data. Our Corporate Affairs strategy is based on this and perfectly aligned.”

“We can track customers from our social media and brand engagement activity right through the app to purchase.”

“Over the past five years, the CA Function acting as a commercial driver, has been our number one priority. What we have tried to get much better at is demonstrating that a pound spent generates 10 times or 15 times return.”
1. Reputation protector
About a quarter of CA Functions in our research fit into this model, stating their primary responsibility is to defend the organisation from threats and issues. Typical activities include:

- **Identifying and responding to risks and issues.** One Director described their purpose as “saving the firm from losing money by putting fires out, rather than generating revenue”, adding that “in the CA Function, decision making is 60-70% reactive”.
- **Building and maintaining trust with stakeholders.** Building and maintaining trust is an essential part of managing reputation. For example, a senior leader from the technology sector said that the main purpose of their Function is to maintain trust due to the responsibility they have for people’s lives.

2. Strategist and storyteller:
A majority of CA Directors that we spoke to take on the role of strategic enabler and storyteller working closely with leadership to help deliver strategy, purpose, and vision. CA Functions can do this in different ways, including:

**Contributing to business strategy and decision making**
- CA Functions add value to strategic decision making by providing a lens on the external environment and stakeholder views to enable the board to consider the full impacts of their actions. One CA Director defined part of their strategy as “holding a mirror to the face of the organisation both in good and in more challenging times.”

**Communicating strategy**
- Storytelling enables the organisation to enrol stakeholders in the company’s vision, shaping how they want to be viewed and what they want to stand for. For example, one CA Director said that storytelling enables them to highlight the company’s purpose by “instilling a sense of direction and optimism about the future, creating a message platform for the CEO.”

3. Growth Driver:
Although in a minority, we observed this model as the most progressive. These CA Functions use their role to generate brand awareness, secure market outcomes and galvanise employee performance with the express purpose of creating commercial value.

A CA Director made the point succinctly: “Three licenses are protected by the Function, our license to operate - sustainability, our license to grow by unlocking commercial opportunities and tax treatment and finally, our license to celebrate how we engage and motivate employees.”

Functions with a growth mindset are monitoring the performance of their team by tracking against revenue contribution and the value of new markets demonstrating an increasing focus on commercial impact. (See page 21 for further details on performance monitoring).
1.3 What were the key priorities in 2022?

Interviewees were asked "what have your main priorities been in 2022?"

There are five key areas CA Functions prioritised in 2022:

1. Managing internal change (33%)
   - Evolving internal communications to help manage a changing workforce. A CA Director from the financial services industry described how "the pandemic brought more emotion and empathy, and a personal aspect to employee communications and culture."
   - Communicating challenges the business is facing. Some industries, such as the travel sector, have not managed to recover from Covid-19 as quickly as hoped for. Portraying this challenging reality can be a difficult message to share with both internal and external stakeholders.

2. Content creation (31%)

   There was an increased focus on creating more dynamic and personalised content for audiences. The purpose of this is to share organisational success stories, market the brand and to drive perception change. One CA Director described this as "capturing the story of our firm and our strategy for our people." For some, this involves exploring new social media and technology platforms.

3. Responding to social change (27%)

   Many CA Functions have spent increasing time establishing corporate positions and communicating their organisation’s views on complex topics, e.g., employee rights, mental health and diversity and inclusion. For example, a CA Function in pharmaceuticals produced a campaign speaking up on gender inequality in healthcare.

4. Responding to political/regulatory change (22%)

   CA Functions prioritised their response to political and regulatory changes this year. This is a consequence of continual political change domestically and globally with challenges such as political instability and the Russian invasion of Ukraine.

5. Responding to economic change (18%)

   Many CA Functions chose to focus on creating a compassionate voice to their stakeholders, in response to a difficult economic landscape. This includes managing challenges such as Brexit, Covid-19 and more recently the cost-of-living and energy crises. One of the CA Directors stated that they changed their messaging from "helping Britain prosper", to "helping Britain recover" when Covid-19 hit.
1.4 What are the critical attributes of a Corporate Affairs Function?

CA Directors were asked to choose the top three attributes which they believe are essential to the success of their team (from 10 options).

**Inspiring trust and confidence** is identified by CA Directors as the most important attribute of a successful CA Function. Respondents chose **good judgement** and being **resilient** as the second and third traits. Somewhat surprisingly the least common attribute was being **technically skilled**.

**Inspires trust and confidence (21%)**

The word “trust” was referenced by nearly all CA Directors during their interview, as respondents noted the difficulty of earning trust and rebuilding trust once it is lost. One CA Director from the financial services sector spoke about how trust in their organisation had been damaged as a result of historically “over promising and under delivering”.

**Good judgement (20%)**

CA Functions often have to respond rapidly to events and challenges. This might include activism, cyber-attacks or claims of misconduct. A CA Director from the consumer goods industry stated that good judgement is a priority for his team as he needs things to get done “right the first time”.

**Resilient (17%)**

CA Functions are required to be resilient to the challenges their organisations face. A Director from the airline industry spoke about “standing steadfast and strong through a relentless cycle of storms.”

**Other attributes identified by CA Directors**

In addition to the options we provided, some CA Directors chose further attributes which they deem important for the Function:

- Ability to learn a subject quickly
- Business acumen
- Ability to drive commercial outcomes
- Global viewpoint and mindset

A CA Director from the technology industry summarised these attributes by stating that in CA:

> “You have to be confident but not arrogant; firm but flexible; be able to build strong teams but hold individuals accountable; and you need to be seen as someone who is competent and capable but approachable.”
Governance

2.1 The Corporate Affairs Directors reporting lines
2.2 A Corporate Affairs Director’s contribution to the Board/Executive Committee
2.3 Perspective from the Boardroom
2.4 Attributes the Board values most
2.5 Five Faces of Corporate Affairs Directors
Part Two – Governance

2.1 The Corporate Affairs Directors reporting lines

The number of CA Directors who report directly into the CEO is proof positive of the value placed on them. Two thirds of CA Directors we interviewed are formal members of the Executive Committee (ExCo) group. For those who sit outside this group, they talked of regular invitations to ExCo and Board meetings to provide perspective, updates on planned activity and large announcements, and a read on the external landscape. One Director spoke of their role as the “business partner to the Chairman.” Another CA Director reflected that

“Winning back the trust of investors taught the business the value of the CA Function having a continuous interface with the executive.”

We found two thirds report directly into the CEO. Of those who do not, Chief Human Resources Officer was the common reporting line, followed by the Chief Marketing Officer, Chief Strategy Officer, Chief Financial Officer and, on one occasion, the CEO’s Chief of Staff.

2.2 A Corporate Affairs Directors contribution to the board/executive committee

Three core areas emerged when asked how they represented the CA Function at Executive Committee level:

**Performance**: Reporting on performance, including metrics such as trust, advocacy, and sustainability ratings.

**Progress**: Updating on strategic initiatives being led by the CA Function that are of urgency and proximity to the commercial and strategic agenda.

**Perspective**: Translating the outside climate and providing a point of view and advice on future decisions and actions.

A CA Director explained: “I go twice a year to the full board with a reputation management paper which looks at where we are; where we have challenges; and what we need to do.”

CA Directors, on top of their formal responsibilities, act as advisors with a remit to bring the external stakeholder voice into the conversation. One FTSE chairman termed it as “being the canary in the coalmine” acting as a conscience and early warning system to out of character behaviour.

Their permanent role on the exco agenda was reinforced by several leaders: “due to the amount of volatility over the past few years (e.g., Brexit, trade disputes with US under Trump, pandemic, war, inflation etc.) there has rarely been a board meeting where the CA Director’s input isn’t required.” The role of reputation on the Board was raised frequently: “During Covid-19 there was a temporary sub-committee on reputation which has continued. I see it as only a matter of time until there is a reputation Board committee.”

“The CEO would always say, whenever someone brought her an issue, have you spoken to Corporate Affairs.”
2.3 Perspective from the Boardroom

To validate what we heard from CA Directors, we interviewed two Board Chairs Sharon Thorne, Deloitte Global Chair and Andy Cosslett, Chair of Kingfisher and ITV plc. Both reflected on how their roles as Chair were evolving in ways driven by the same factors changing CA Functions more broadly.

Four themes emerge from what Boards and Chairs expect and value from corporate affairs:

1. **insight** and **data** into social expectations
2. **advice** on the right course of action
3. **influence** on the stakeholder and employee ecosystem
4. **perspective** on living values and staying true to purpose.

**Impact on the organisation**

Both Board Chairs noted the increasing impact which the CA Function is having on their businesses and particularly on the Board. They spoke about how the Function acts as a “**bridge between the people on the shopfloor, frontline and the Board**” by raising the “issues and topics that the Board needs to think about and react to therefore influencing the direction of the organisation.”

“Due to an abundance of scrutiny” corporate affairs is seen as essential and can “**act as a drum beat for the organisation**”, particularly during difficult times.

It was noted how COVID-19 demonstrated the value of the CA Function, as Functions were able to maintain honest and calm communication during a time of “**shifting tectonic plates**” in terms of employee engagement.

**Capabilities**

When asked about the key capabilities of CA Functions, Board members spoke about

- **Skilled communication**

CA Functions are relied on for streamlining business initiatives, decisions and strategies into stories which can be well understood and remembered by stakeholders. In addition to this, the Function is essential for establishing and communicating the businesses stance on broader topics such as gender rights and healthcare which can often be challenging to respond to.

“CA Functions are increasingly essential in providing coherent communication strategies, especially for global organisations who need to provide consistent messaging.”

- **Thought leadership**

CA Directors “**apply social and cultural intelligence**” and “**invaluable advice and insight to leaders**” by providing them with stakeholder insights and points of view. By providing this external lens on decisions, along with a strong understanding of risk, the CA Function is able to help “**shape and deliver the desired legacy of the Board**”. 
Challenges facing the Function

Board members discussed what they believe to be the main challenges and opportunities facing CA Functions at present and in the future, these included:

• Transitioning from a profit-led to purpose-led business
• Responding to the permanent state of disruption
• Avoiding perceived or actual greenwashing
• Maintaining trust which can be "lost overnight"
• Keeping board members informed on topics such as diversity and inclusion and ESG topics to maintain compliance with tightening FRC regulations which require Boards to take responsibility for organisations purpose and values.

A call to action was sounded by one Chair for corporate affairs to "capitalise on the opportunity to redefine the function and enhance their accountability for the purpose of an organisation."

2.4 Attributes the Board values most

We asked CA Directors “what attribute does the Board value most?” and several themes emerged. Notably, Boards value the Functions’ ability to:

Create the conditions for growth

• CA Functions develop and maintain trusted stakeholder relationships which, in turn, helps promote constructive and positive business outcomes. One CA Director said their CEO would describe this as “encouraging stakeholder evangelism”.

Act as a reputational lens for decisions

• CA Directors are able to use their strong judgement and perception to challenge Board decisions, acting as a “stakeholder filter” to “put purpose at the heard of decision making” as noted one CA Director.

Manage multiple crises

• “Crisis management. We chaired a lot of crisis committees in Covid-19 and Ukraine/ Russia because we have the operating model to deal with fast evolving change.”
2.5 Five Faces of Corporate Affairs Directors

What is striking is that CA Directors both interpret and fulfil their roles in different and distinct ways. While not quite chameleon-like, they are able to adopt a variety of leadership personas to deliver their agenda.

CA Directors display traits of one or more of the five faces we identified.

One CA Director identified clearly as a Talent Builder: “My role is to put the best possible talent, in the best possible roles and make them feel good about their jobs.”

**Ambassador**
- Chief of Staff and CEO envoy
- Diplomat
- Spokesperson
- Highly involved with business decisions
- Helps to inform the board with insights

**Editor**
- Storyteller
- Media and coverage focused
- Runs teams like newsrooms
- High level of control over the organisations tone of voice

**Campaigner/Catalyst**
- Visionary
- Embraces change
- Activist and campaign driven
- Uses new methods of social media e.g. TikTok

**Talent Builder**
- Team focused
- Motivator
- Talent builder
- Inclusive
- Reviews and monitors capabilities

**Architect**
- Quantitative and Qualitative data
- Dashboard focused
- Highly strategic
- Technology insights
- Regularly reviews progress/achievements
Impact

3.1 Measurement and evaluation
3.2 Where the Corporate Affairs Function has the largest impact
3.1 Measuring the impact of Corporate Affairs

Our research highlights that there is no settled view on how to evaluate the CA Function’s performance, and that Directors deploy a broad range of indicators to try to do this. Many use relatively traditional methods such as tracking media coverage and social media metrics. However, many CA Functions are now using better data, dynamic reporting, and business information to demonstrate their impact.

Five key measurement categories were identified from the interviews:

- **Public Relations (PR) and Comms**
  - Tier 1 Media coverage
  - Monetary value of content (AVE)

- **Reputation and brand awareness**
  - NPS
  - Consumer consideration
  - Stakeholder trust & advocacy

- **Human Resources (HR)**
  - Application statistics
  - Employee motivation
  - Attrition and retention

- **Commercial**
  - Product Sales
  - Contract wins/opportunities
  - Tax and investment support

- **Environmental Social Governance**
  - Volume and engagement on ESG content
  - ESG advocacy
  - Corporate Responsibility Index

**Traditional**

**Modern**
3.2 Where the Corporate Affairs Function has the largest impact

CA Directors were asked “where do you have the largest impact?”

Driving revenue

More CA Functions are taking on the role of “growth driver” whereby they use corporate affairs activity as a means of creating economic value.

1. Campaigning

Creating campaigns to enhance awareness about what differentiates the organisation and the social and economic benefits of its products and services. One CA Director from the financial services sector spoke about a campaign they did to demystify the purpose of their organisation, claiming that they are one of the “best known, least understood companies in the economy.”

2. Shaping commercial opportunities

Maintaining a competitive advantage by creating campaigns which highlights unique initiatives or characteristics of the organisation, for example, promoting societal or climate action. This can generate future revenue opportunities which was highlighted by one CA Director whose Function “ran a campaign on the reduction of plastics which lead to the creation of an £80 million new business opportunity.”

3. Generating investment from shareholders

Some CA Directors spoke about the use of financial communications to generate equity investment from shareholders. Particularly from organisations which or that have recently experienced financial difficulties or large financial change such as a merger, acquisition, or fundraising.

Protecting reputation

Part One of the report identified the “reputation protector” as a key model of the CA Function. The impact of this work is seen in:

4. Minimising negative impact on trust and reputation

CA Functions work to minimise the impact on reputation of an incident or a crisis by identifying risks and issues to ensure that the organisation can either avoid them or mitigate their impact.

5. Rapid response to issues

The CA Function has the responsibility of communicating the organisation’s response to changes in the external environment such as societal, political, and economic issues.

6. Fostering a dynamic internal culture

Many CA Directors spoke about the responsibility they have to communicate with employees. This is particularly relevant during times of change to ensure employees understand its benefits, therefore contributing to a culture of togetherness and shared goals.
04
The Future

4.1 Focus areas for 2023
4.2 External trends
4.3 What future competencies are Corporate Affairs Directors focusing on?
Part Four – The Future

4.1 Focus areas for 2023

When asked “where in the next 12 months will you be most challenged?” their responses identified four themes for 2023.

Navigating uncertainty and chaos (44%)
- Cost of living crisis and macroeconomic pressure
- War in Ukraine
- Political/governmental change
- Climate change and sustainability (with recent events such as COP27)
- Changing social expectations and polarised public discourse

One CA Director put it:

“Our biggest challenge is managing multiple stakeholders in a constrained world – there is a defined pot of money that we make that needs to be split across multiple different stakeholder groups. Therefore, what choices/trade-offs we make around investments, dividends, prices etc., is important.”

Galvanising culture change (41%)
- Attracting applicants and competing for talent
- Managing employee activism
- Working with other Functions to help embed messaging throughout the organisation
- Managing the tone and empathy delivered from the top

“Coming into 2023 our priority is business transformation. Becoming less of a product-led business and becoming more of a customer-led business. This is a large part to do with how we engage with the outside world.”

Creating competitive advantage (36%)
- Regulatory and policy reforms
- ESG ratings that support capital raising
- Driving sales for new or existing products
- Supporting talent acquisition

Managing the stakeholder ecosystem (27%)
- Relationships with regulators which can sometimes conflict with growth objectives
- NGO relations which have come under pressure on topics such as sustainability
4.2 External trends
CA Directors were asked to identify external trends which they are particularly curious about. These included:
- The metaverse and its role in corporate communications
- Public health statistics
- Geopolitical evolution such as the rise of Asia and considerations for corporate political reputations, for example, which countries are socially acceptable to do business with?
- Social issues such as those relating to race, gender and LGBTQ+ rights’
- Changes in communication channels and associated regulations
- Data privacy and AI

4.3 What future competencies are they focusing on developing?
CA Directors were asked ‘what critical competencies would you strengthen?’ Their responses highlighted data and insights, ESG, employee engagement and storytelling as the competencies which leaders identified as needing strengthening.
Data and insights (58%)

This is less about measurement data and more about using data about customers, audiences and channels to spot trends and opportunities for engagement and campaigns.

“We have only scratched the surface of what we can bring to the company, for example, harnessing digital. We are good at data and social media listening but we haven't fully tapped into the consumer activism space.”

“We definitely have room to grow with data. Getting the balance right between risk and seeing opportunity. Very important for corporate affairs to see growth opportunities too.”

ESG (41%)

Deeper ESG expertise was identified as a key challenge for CA Functions. With widely scrutinised events like COP27 and new climate regulations, there is ongoing and ever increasing pressure on organisations to commit to a sustainable way of working.

“We have undergone a shift of emphasis recently, some of which has been driven by the pandemic. ESG is a huge part of the job now. Our 2030 sustainability strategy emphasises the cultural and behavioural shift we need to deliver within the company.”

Employee engagement and retention (35%)

With an ongoing competition for talent, it is increasingly important for CA Functions to prioritise their employees need to feel respected, valued and heard.

“As a firm, we were invited into people’s bedrooms and houses because of the pandemic, and suddenly people really cared about how other people were doing. This has almost set a new model for the relationships we have with our people. It is more emotional and personal.”

Content creation and storytelling (20%)

Many CA Directors discussed their desire to invest more time and money into “positive, optimistic campaigns”, rather than “firefighting”. This involves sharing the organisations successes and telling a positive story of the company, which one director described as the “coordination of noise to turn it into music”.

05

Conclusion

5.1 Five Maxims of Corporate Affairs Function
Five maxims of Corporate Affairs

By speaking with leading corporate affairs practitioners we get an understanding of their thinking, methods and techniques. We observed a cohesive spine to corporate affairs strategy and a set of common ideas. We have called them The Five Maxims of Corporate Affairs.

1. Agents of change
   Leaders today appreciate and accept they are being asked to lead not only their companies but some form of progress in society. Leaders have great capacity and discipline to lead their organisations but it is far less clear how they intend to fulfil stakeholder as well as shareholder expectations. In an activist era, realise the most powerful commodity organisations have is the change they stand for.

2. Embrace complexity
   As Deloitte’s own Global Resilience Report set out, organisations face multiple, interrelated risks and existential threats. The sheer spectrum of risks that we face today and the rising instability in domestic and global institutions demands a new level of readiness, sensitivity and resilience.

3. Data first
   Reflecting the complexity of today’s issues, personalisation of content and the polarisation of communities, first and third-party corporate affairs data is becoming essential to precisely understand the bearings of conversations, the drivers of behaviours and how best to connect organisations to audiences. It is equally essential to the type of verifiable reporting on ESG commitments that will earn trust and belief.

4. Create movements
   Networks online and voting coalitions prove the power of assembling large groups to achieve common outcomes. With so many transformations happening in business and society, unprecedented levels of collaboration and partnership between allies and critics as well as new networks of influence and change are needed. Building internal movements behind purpose drives performance.

5. Build momentum
   Momentum is the product of mass and velocity. Organisations are very much like large objects so to create forward action they need speed and accelerated rates of change. Moving forwards by building social momentum can unite and inspire employees, attract new talent and make brands relevant and preferable to consumers.

A new era advisor.

“Our executive team is of a new generation, many under 50 so they intrinsically get the value of purpose and standing for something. They have grown up in an era of brand purpose and sustainability. Corporate affairs is in their blood.”

The pressures to reflect society in business, balance both investors and societal needs, be part of cultural discourse, live with radical transparency and communicate in a fractured media ecosystem did not exist 25 years ago.

This more activist, polarised, era for corporate affairs and business has both demanded and nurtured a new type of advisor and corporate affairs leader capable of steering brands and organisations through change, earning permission, and creating momentum that supports growth and value.
5.1: Conclusion: Tested, trusted, transformed

In our view, this research emphatically challenges the old narrative around corporate affairs – that it struggles to secure a voice and seat at the top table of business. Formally as ExCo members or as trusted advisors to C-Suite officers, corporate affairs leaders enjoy substantial influence, impact and access to the top.

Boardroom appreciation of its work is rising thanks in large parts to enhanced visibility triggered by the pandemic. For a crisis that had people and human impact at its core, it is not surprising to learn that the CA Function rose to the occasion. Corporate affairs directors increasingly command large teams and significant budgets enabling them to become more strategic, sophisticated and impactful.

We found three distinct corporate affairs models. The conventional model of being the ‘reputation defender’ accounting for about a third of companies, with a primary focus on managing issues and reputation risks.

Second is the ‘strategist & storyteller’ model that communicates the company strategy and purpose through integrated communications shaping the external environment positively to support the business.

Growth Driver is the third. It works to a clear, accountable growth objective. We detect those corporate affairs leaders employing a Growth Driver model were the most innovative and forward facing.

CA Directors have an eagle eye on the next issue, obstacle, conversation and opportunity. When asked about the issue that will occupy them most next year, they identified navigating external volatility and pressure (e.g. cost of living crisis and geopolitics), supporting internal transformation (e.g. engagement, culture change, transition), and driving commercial objectives.

They often take the long view and act as sparring partners to the executive and sometimes as CEO envoy.

Standing Out, Not Standing Still

With so much volatility, change and noise surrounding companies today Corporate Affairs Directors cannot stand still. They are investing in new skills specifically data, ESG depth, cultural change capability and storytelling. We found that sustainability is a central piece in about 50% of Corporate Affairs Functions.

CA Directors are designing science to go with the art of corporate affairs. It was noticeable how many interviewees were in the process of professionalising the system behind the art, including better data, formal strategy development, analytics, tech and AI.

We did not detect an appetite for a reimagining of the function. But the enhanced brand of Corporate Affairs after COVID-19 does give its leaders opportunity to pivot forwards and the goodwill in the bank to take risks and act more boldly.

Many Corporate Affairs Directors interpret their central remit and purpose beyond communications and reputation risk management. It’s about servicing, as tangibly as possible, the growth of the business. We expect, within five years, that this growth mindset and operating model to become the norm.

They are thinking well beyond communications to incorporate strategic risk, transformation and new product development.

Tested, trusted and transformed to steward their organisation and leaders towards growth.
Appendix
## CA Purpose

Building, protecting and enhancing the reputation of the company and driving engagement across the organisation.

Providing the insight, counsel and challenge our leaders need.

To drive sustainable change and transform perceptions of the organisation.

To communicate the organisation’s contribution to health in the world and show we are delivering on their objectives, doing now what patients need next.

Protecting, promoting, and positioning the organisation’s reputation.

Contribute to the business purpose of ‘Celebrating life, every day, everywhere’ by protecting the firm’s license to operate, grow and celebrate.

Build and help others build the reputation of the organisation to be successful in the short and long-term.

Adding commercial value to the business.

To provide the most favourable operating environment for the business to help it protect its reputation and trust in the brand.

Grow the business, enhance our brands, improve business conditions and promote the organisation’s purpose.

Managing brand and protecting reputation.

To protect and enhance the group’s profile and reputation.

Proactively and positively manage the reputation of the company globally and support our business to drive access to medicines.

Aligning the organisation’s communications portfolio.

Exist to serve and protect those who serve and protect us.

Build the company’s reputation to advance our corporate agenda.

Enhance the reputation of the organisation with stakeholders.

Promoting the organisation’s reputation (positive and proactive comms) and protecting the organisation’s reputation (reactive).

Unequivocally in service of business growth through fostering better relations with our stakeholders.

Find stories and tell stories to grow into new markets.

Maintain and enhance reputation and engagement with all key stakeholders.

Building trust, building a stable social media channel and building excitement for the business and its brands.

Being pioneers to challenge ourselves to create work that has a long-term impact in a fragmented world.

People who hold the identity and voice of the corporate organisation.
07

Methodology
This report is based on a series of interviews with CADs, completed between August and November 2022. The CADs interviewed represent all major industry groups, including:

- Financial Services
- Consumer
- Technology
- Life Science and Health Care
- Media and Telecommunications

Companies were predominantly FTSE100 with some listed in European and US exchanges. A total of 30 participants were interviewed, in person and virtually. Following the interviews, we analysed the transcripts to identify trends, and observations, all of which were used to provide insights for this report. Thank you to all of those who gave their time and opinions.

We plan to conduct the research again in 2024 deep diving into one or two key trends. We very much welcome a conversation about what they might be. Please get in touch with views and perspectives on our report.
08

Contact us
Contact us

Lead authors

Mark Hutcheon
Director and Reputation Lead
Reputation, Crisis and Resilience, Risk Advisory
mhutcheon@deloitte.co.uk

Kayleigh Creelman
Senior Associate
Reputation, Crisis and Resilience, Risk Advisory
kayleighcreelman@deloitte.co.uk

Advisors

Tim Johnson
Lead Partner
Reputation, Crisis and Resilience, Risk Advisory
timjohnson@deloitte.co.uk

Reena Mistry,
Director
Reputation, Crisis and Resilience, Risk Advisory
reenamistry@deloitte.co.uk

John Williams
Director
Reputation, Crisis and Resilience, Risk Advisory
jgwilliams@deloitte.co.uk

About RCR
Deloitte’s Reputation, Crisis and Resilience practice helps clients navigate complexity. Our growing Reputation and Strategic Communications team provides data, capability, strategic advice and execution support on our client’s corporate affairs objectives. Drawing on Deloitte’s deep network of expertise in strategy, governance, ESG and data privacy to provide insight and challenge when it is needed most.

Get in touch with our experts to discuss the content of this report.