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Beyond Communication

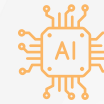
CCO Leadership in Navigating New Complexity

May 2024

Executive Summary

Amidst a global landscape marked by technological disruptions, societal shifts and evolving stakeholder expectations, the role of strategic communication leaders, often called chief communication officers (CCOs) or heads of corporate affairs¹, has expanded and transformed.

This report delves into the nuanced dynamics shaping corporate communication today by leveraging a blend of surveys, in-depth interviews and extensive global consultations with Page member CCOs. It outlines the enhanced strategic role of CCOs in steering organizations through complexities and highlights their integral role in multistakeholder engagement and corporate governance.



Expanded context and challenges

Since 2019, our world has faced a series of unprecedented challenges, from the COVID-19 pandemic to geopolitical unrest and the ethical dilemmas posed by artificial intelligence (AI). These developments have tested organizations' resilience and adaptability and underscored the critical need for strategic communication and engagement. CCOs, positioned at the helm of these efforts, face the daunting task of navigating their companies through a maze of stakeholder demands, technological advancements, and societal expectations, thereby redefining the essence of corporate communication.

Employee communications have leaned into ensuring that everyone understands the business strategy, participates in the company culture and can radiate all this into the marketplace. At the same time, employees have a growing potential to be both influencers and activists and are exerting more pressure on organizations to speak on a range of societal issues. As organizations grapple with a new world of work – challenged by factors including return-to-office expectations and a multigenerational workforce – CCOs are increasingly involved in managing the organization's relationship with its most essential stakeholders.



¹The "chief communication officer" title is more common in the U.S. than in other parts of the world, particularly Europe, where titles containing "Corporate Affairs" and the like are more often used. In this report, our use of "CCO" refers to the senior-most executive responsible for communications, regardless of title.

Key Findings

1

CCOs are rising to the challenge

As businesses require more multistakeholder leadership, CCOs have significantly expanded their strategic influence. Beyond traditional roles, they are now pivotal in defining (or redefining) mission and purpose, decoding societal trends, fostering innovation and guiding companies through times of crisis. Their unique multistakeholder orientation, combined with effective communication and relationship building skills, are proving indispensable for businesses aiming to achieve long-term, sustainable success in an increasingly complex environment.

2

Broadened scope and/or responsibilities

As CEOs seek help in this increasingly multistakeholder world, the remit of many CCOs has widened considerably, often encompassing areas such as sustainability, public affairs, brand and marketing, people and culture, societal responsibility and diversity, equity and inclusion (DE&I). This expansion is a testament to the evolving role of corporate communication, from a function focused on message dissemination to one deeply integrated into the strategic fabric of the organization, promoting a cohesive and inclusive corporate identity.

3

Technological advancements and the rise of commtech

The integration of technology into communication strategies, or CommTech, is accelerating, offering both opportunities and challenges. While technology facilitates deeper insights and more personalized stakeholder engagement, CCOs are also tasked with navigating the ethical implications of AI and ensuring their teams are equipped to leverage these advanced tools effectively and responsibly. The pace of change is increasing while regulatory frameworks and organizations' ability to adapt struggle to keep up.

4

Teams are not yet suited to new demands

The expanding scope and increasing complexity of the CCO's role present challenges related to skills, resources and team well-being. As CCOs pilot their functions through this transformative era, there is a pressing need for strategic investments in team development, technological tools, and supportive work environments that foster innovation and resilience.

Envisioning the future role of the CCO

In the face of these evolving dynamics, the future role of the CCO is envisioned along three pivotal axes:

- 1 Championing Multistakeholder Engagement**

The imperative for CCOs to advocate for and sustain a multistakeholder approach is clearer than ever. By embracing this perspective, CCOs ensure that organizations are attuned to the diverse needs and expectations of their stakeholders, thereby fostering trust, innovation, and sustainable business practices.
- 2 Shaping Corporate Character and Trust**

As architects of corporate identity and trust, CCOs wield significant influence in shaping perceptions and building relationships. Utilizing advanced technologies and data analytics, they can glean nuanced insights into stakeholder preferences, crafting strategies that resonate on a deeper level and bolster corporate reputation.
- 3 Pioneering Societal Value Creation**

The role of CCOs in steering organizations towards positive societal impact is increasingly paramount. From environmental stewardship to social responsibility and ethical governance, CCOs are guiding lights, ensuring that corporate actions align with broader societal values and contribute to sustainable development and social well-being.



Call to action

The transformation of the CCO role reflects a broader evolution within the corporate sector toward a more holistic, stakeholder-centric approach. As companies venture through the complexities of a rapidly changing world, the strategic insights, leadership, and ethical stewardship of CCOs are invaluable. This report highlights the challenges and opportunities facing CCOs and serves as a clarion call for these leaders to continue innovating, adapting, and guiding their organizations towards a future where business success and societal well-being are inextricably linked.

I. The Context

In 2019, Page completed its most thorough research ever with the conclusion that CEOs were looking for help in transforming their organizations in the face of a tidal wave of disruption. We saw new business models, many driven by technology, causing enterprises to reconsider their fundamentals in profound ways and to change in response to new competitors and circumstances. We saw many stakeholders speaking out more vociferously, expecting businesses to take a larger role in building value, not just for customers and shareholders, but also for employees, communities and society itself.

As we examined the role of the chief communication officer (CCO) or head of corporate affairs, we concluded that CCOs are:

- 1 Increasingly responsible for and are transforming corporate brand stewardship, which has progressed from a primarily consumer construct to one that defines every experience that every stakeholder has through every touchpoint;
- 2 Heavily engaged in instilling an enterprise culture system that aligns employee behaviors with corporate strategy and operating objectives;
- 3 Helping to define an enterprise commitment to societal value creation through corporate purpose, societal impact efforts and corporate advocacy; and
- 4 Investing in technology and talent to make their functions more agile, more digital, more data- and analytics-driven, and better able to create and demonstrate causality between their efforts and business outcomes.

Our report, [The CCO as Pacesetter](#), urged CCOs to step up in each of these four dimensions and warned that, if they did not, CEOs would turn elsewhere for the help they needed to transform their organizations.

Five years later, all the trends we saw then have accelerated faster than we could have imagined. We have seen societal, economic and political upheaval driven primarily by five factors: a global pandemic, regional conflicts with global consequences, the shifting role of business in society, the rise of AI, and polarization and a crisis of trust in institutions. All of these realities continue to test the navigational skills of CEOs and pose unique challenges for CCOs.



The global pandemic

Not only did COVID-19 reveal the inadequacy of global healthcare systems, but its long-term impacts are significant, including disrupted supply chains, rising inflation and irrevocable changes to the way we work. Geographically distributed teams that work remotely, either full- or part-time, have created new challenges for fostering culture, creativity, learning and connection. The pandemic also exacerbated political polarization as citizens and political leaders battled over mask and vaccine mandates and restrictions on movement.



Regional conflicts with global consequences

The far-reaching geopolitical and economic consequences of the war between Russia and Ukraine forced CEOs to take a stand. The conflict between Israel and Hamas has also tested public and private institutions, which have faced criticism for their stance (or lack thereof) amid increasing antisemitism and Islamophobia and concerns about civilian casualties on both sides. This is to say nothing about China's posture regarding Taiwan or its expanding influence into the Middle East and Africa, Iran's rivalry with Saudi Arabia causing fighting through proxies throughout the Middle East a burgeoning energy alliance between Russia and China, the fracturing of the European Union punctuated by Brexit or mass migrations primarily from the Global South.



The shifting role of business in society

During the pandemic, demands for businesses to create societal value accelerated. The term "stakeholder capitalism" was coined as confidence in other institutions, including government, NGOs and the media, declined.² In the U.S., a reckoning with systemic racism reignited by the murder of George Floyd has been followed by a Supreme Court decision striking down affirmative action in university admissions (a harbinger that similar programs to benefit racial minorities, including diversity, equity and inclusion (DE&I), could be in peril) and a decline in corporate focus on DE&I efforts often explained (or excused) as "DE&I fatigue."

Also in the U.S., a right-wing backlash against the so-called “woke” agenda has emerged, causing some businesses to tone down their public stance on societal issues and either scale back on Environmental, Social and Governance (ESG) efforts or just avoid using what has now become a stigmatized term. However, rising demands from employees and the increasingly obvious imperative of reducing climate impact have spurred most businesses to continue to seek new ways to be responsible stewards of the environment. And the growing expectations around the “S” in ESG are revolutionizing how businesses think of impacts on humanity and the social responsibility of the business to be a positive force in the world. In Europe, the Middle East, Asia and the Global South, businesses are moving forward with a renewed focus on delivering societal value, including a commitment to addressing climate change.



Advancing technology and the rise of AI

During the pandemic, office workers accelerated their use of technology as they worked from home. Businesses continued increasing the use of data to change business models and connect with customers, suppliers and other business partners. In the last year, we have seen the rapid advancement of generative AI amid a floundering effort to regulate so-called “big tech.”

While the benefits of AI are numerous, the risks are also significant: misinformation, disinformation, intellectual property rights, and data breaches on the one hand and mismanaged digital transformation on the other. Nevertheless, research shows companies are not taking these risks seriously. According to the Marketing AI Institute’s 2023 State of Marketing Report, more than three-quarters (78%) of employees have received no AI training from their employers and only 22% of companies have a generative AI policy. Many companies have instituted a blanket ban on AI in lieu of guidelines.



Polarization and a crisis of trust in institutions

Society as a whole has become more fractious and lent to conflict, with the gap between conservative and progressive ideologies hardening into battle lines. The human tendency toward tribalism, combined with a media environment that allows one to filter their view of reality to suit their own perspective, has exacerbated the societal divide.

Set against the backdrop of conflict, war, technological disruption, and social disharmony is a growing lack of trust in all institutions. Though its origins are complex, key factors include growing nationalism, populism, polarization and challenges to elections. This lack of trust is exacerbated by ineffective national governments and the diminishing authority and influence of international institutions like the UN, WTO and WHO. In the media world, traditional journalism is in decline³ and outlets with a political bent are on the rise.

In important ways, the convergence of these circumstances – and other forces not mentioned here – has reinforced the fundamental thesis of the Page Model, which was introduced in 2012 in our report, [Building Belief: A New Model for Activating Corporate Character and Authentic Advocacy](#). We noted then that “CCOs have two fundamental, interrelated responsibilities – helping the enterprise define and activate its corporate character and building authentic engagement with stakeholders.” What these factors demonstrate is the growing need for a clearly defined corporate character – the identity, values and beliefs that allow the organization to navigate uncertain waters – and for deep, constant, mutually valuable engagement with stakeholders.

It has always been true that CEOs confront dilemmas and that the CCO is an invaluable partner in calibrating the right solution. What is new in today's context is the recognition that these issues are not what was once thought of as a binary choice between profitability and societal acceptance. Rather, it is about reframing these issues such that the question is focused on how to maximize the value created for all stakeholders over the long-term. “There are clearly trade-offs,” wrote Alan Murray, CEO of Fortune, in his 2022 book *Tomorrow's Capitalist*, “where the interests of the shareholder and the interests of other stakeholders diverge. But if you focus on the long-term, that view changes.”

“We live in the age of dilemma management – and the CCO is the corporate pathfinder in this new complexity.”

- Page member

Employees cut across all these trends

While the CCO focus on employees was increasing even before these contextual factors emerged, each has in their own way bolstered the essentiality of employees as a vital stakeholder.

Nearly all the CCOs we spoke with are engaged in some way in “employer brand” or some other facet of employee recruitment, engagement and retention. Myriad studies show that employees want to work for organizations they believe are having a positive impact on the world. Attracting top talent has evolved beyond making the best offer to being the best employer, which depends tremendously on a company’s purpose, values and culture. Employee communications have leaned into ensuring that everyone understands the business strategy and their role in it, understands and participates in the company culture, can grow and identify with the brand, and can radiate all this into the marketplace through their actions and behaviors.

At the same time, employees have a growing potential to be both influencers and activists now and are exerting more pressure on organizations to speak on a range of societal issues. Though for a time organizations leaned into these expectations, more are being judicious today about their social issues profile. For the CCO, this has meant developing rigorous systems and processes for understanding the range of issues on which an organization might speak and making methodical decisions about when, how and why they should do so.

Organizations have become venues through which their people engage on many of these issues, often through employee resource groups (ERGs) or other means. This has required the CCO to determine how to foster civil, constructive dialogue about highly contentious issues.

At the top of many internal agendas are return-to-office policies that continue to evolve as companies determine the right level of flexibility for their business. Communicating these evolving policies has become part of the CCO remit alongside the review and overhaul of employee value propositions so they better reflect the new context in which companies are operating. However, the return-to-office debate is not as prevalent outside the U.S. and will fade as related issues emerge, like managing remote/hybrid teams; reaching a distributed workforce; new methods and expectations for listening to employee voices; delivering a personalized, consumer-like experience in the digital workplace while minding data privacy; the evolving relationship-based expectations of managers and leaders; and four different generations operating together in this new world of work.

Finally, recent years have seen a growing number of labor movements, particularly as employees (and their organizations) get squeezed between rising inflation and stagnating income. Though disruptive to business activity, leaders are encountering unions in different ways based on rising interest among younger workers and a regulatory environment influenced by populist politics. Some are viewing unionization as a call to be more strategic and empathetic about employee experience.

II. Research Findings

Because the trends mentioned above drove significant change for companies and the CCO, we set out to understand the implications for our profession. We assembled a task force of Page and Page Up members representing different geographies, roles and industries, to develop a point of view. This was tested via 13 in-depth interviews conducted with CCOs in late 2022 and early 2023 with the support of FleishmanHillard. Preliminary findings were shared with Page members at meetings in 14 countries to receive further input. A survey of CCOs was fielded in late 2023 to quantify some of the changes identified through our research, particularly in the CCO's title and remit. In March 2024, the findings were previewed at our Spring Seminar in Paris as a final opportunity for a global gathering of members to offer their perspectives. Along the way, we have considered related research conducted by Page members and others. This report is based upon the collective insights of all these inputs.

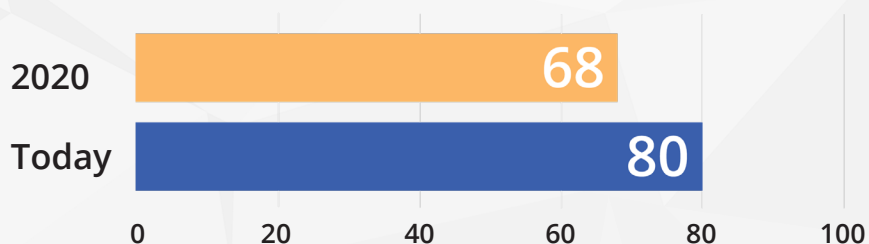
FINDING 1:

The CCO is rising to the challenge

In 2019, we advised that CCOs had an opportunity to strengthen and deepen their strategic contribution to the enterprise, warning that if they didn't step up, CEOs would look elsewhere for help in responding to the need to transform nearly every organization worldwide. In many cases, transformation is existential. Jon Iwata, former SVP of Brand and Communications at IBM who is currently with the Yale School of Management, uses the term "re-founding" to describe moments at which companies are compelled to rediscover their place in the world and, with it, redefine who they are, what value they create and how.

Four-plus years later, our conversations with CCOs make it very clear: most CCOs have indeed stepped up. Businesses and leaders are transitioning from an era of solving problems to optimize short-term profit, to embracing conflicting interests as a spur for innovative problem-solving that creates sustainable business success. Because of this, the CCOs' multistakeholder orientation has never been more necessary. And they find themselves more at the center of strategic decision-making in their organizations than ever before.

On a scale (from 0-100), how integral would you say you were to organizational decision making at the beginning of 2020 versus today?



Source: Survey of Page member CCOs conducted October-December 2023; n=73.

The CCO's role as a sense-maker is by no means new, but it has become much more vital. Evolution teaches us that it's not the strongest who survive but rather those most able to adapt to their environment. CCOs are the sensors of change in the environment, internally and externally. They are also change agents, ideally suited to help the organization adapt. The growing complexity of the business environment and the speed at which change is happening today make this obligation to sense and evolve even greater.

The CCO role has long been focused on reputation as an indicator of the health of the organization. Managing it is often a practice of risk mitigation; CCOs' management of stakeholder risk can go unnoticed because it avoids calamity rather than creating opportunity. But our conversations with CCOs suggest a shift in the balance as the function, with new data and tools for assessing impact, increasingly becomes one of business enablement. This shifts the risk calculus from preparing for and neutralizing threats to proactively investing in reputation- and relationship-building activities.

The increasingly global nature of business has challenged CCOs to bridge gaps between languages, cultures and value hierarchies. Business leadership often has a Western view of the world despite it being shared by a relatively small share of the global population. CCOs are helping bring in global cultural contexts and, in important ways, keeping the world together despite the centrifugal forces pulling it apart.

“To fulfill my role as CCO, the entire comms function needs to have a deep understanding of the organization’s business and value drivers. When this is combined with expertise in interpreting the context in which the business is operating, our contribution and impact increases.”

- Page member

FINDING 2:

The CCO remit is expanding

The strategic importance of the role is only part of the story. Our research also revealed that, in many cases, the remit of CCOs has expanded to include areas like sustainability, public affairs, brand and marketing, people and culture, societal responsibility and DE&I. All these areas benefit from multistakeholder thinking and a global mindset. In fact, according to data shared with Page by Heidrick & Struggles, 52% of their CCO placements between 2020-2023 had remits beyond internal and external communication. Some 30% led CSR, ESG and/or the corporate foundation, and 15% took the chief corporate affairs officer title.

“With the growing impact of the geopolitical situation on companies and a complex policy environment it is important to gather the responsibilities of communication and public affairs under the CCO’s responsibility. Sustainability and ESG have developed from a nice-to-have communication to a company’s ticket to trade.”

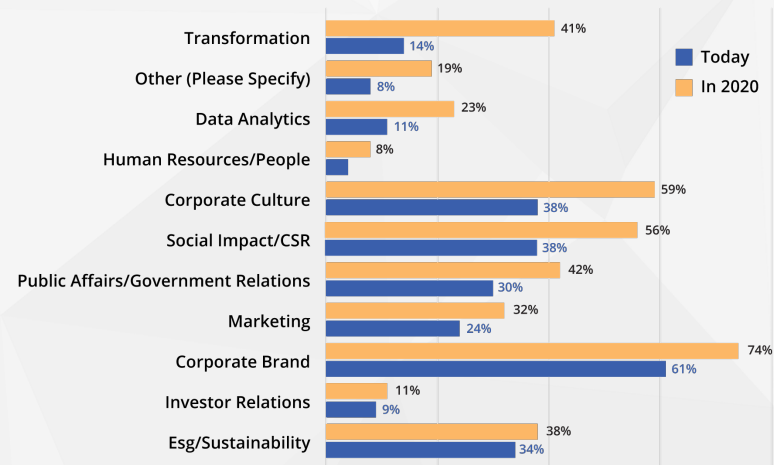
- Page member

Even where the CCO does not have formal operational responsibility, the function is working more closely with those who do on these issues.

“As a CCO you need to understand and engage across all these dimensions (Sustainability, Public Affairs, DE&I, People & Culture), irrespective of whether they are formally part of your responsibility. It’s more important to have an effective operating model that provides opportunity to influence, than having them in your portfolio of responsibilities.”

- Page member

In our own poll of CCOs, we found clear evidence of a growing remit. Out of all the potential areas of responsibility listed, the only one that declined between 2020 and 2023, albeit only slightly, was “strategic communication.” The reason for this decline may be that it has been used as a catch-all descriptor for the other categories, which all saw increases:

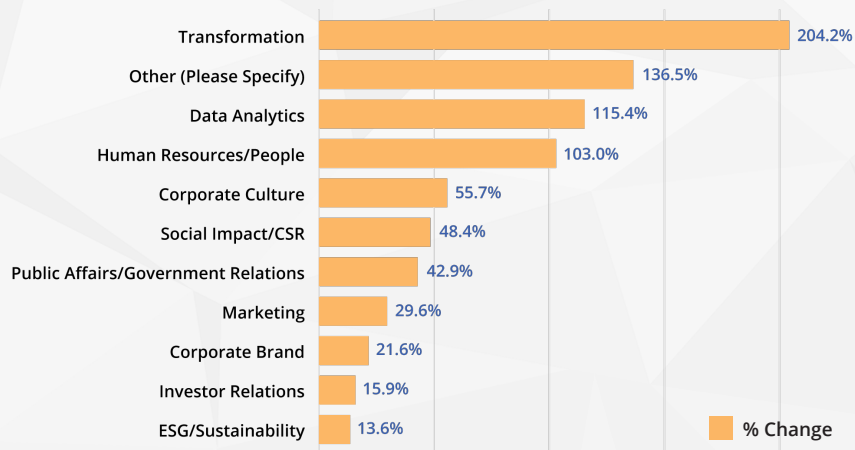


Source: Survey of Page member CCOs conducted October-December 2023; n=73.



The greatest change is that many CCOs' roles have been redefined or expanded to reflect "transformation" – another endeavor that requires multistakeholder understanding and engagement. Also worth noting is the finding that, while a then-surprising 61% of CCOs had formal responsibility for corporate brand in 2020 (a finding that matches what we found in our 2019 CCO as Pacesetter report), that has increased to nearly three-quarters — by far the most significant new area of focus for CCOs. This reflects the growing understanding by corporate leaders that, while marketers are experts at product brand, it is the corporate brand, much like corporate character, that is about expressing a unique, differentiated identity in a consistent and authentic way. The CCO skillset is clearly being put to use here.

Most compelling is the growing number who are now accountable for neighboring functions with a stakeholder focus – areas like HR/people (*a relatively small portion at 8.2% but still double what it was in 2020*); corporate culture (*55% increase*), social impact/CSR (*48% increase*); public affairs/government relations (*42% increase*); marketing (*29% increase*); and ESG/sustainability (*13% increase*).



Source: Survey of Page member CCOs conducted October-December 2023; n=73.

CCOs are increasingly responsible for leading ESG and sustainability efforts, including non-financial reporting, not because they're environmental and audit experts but because these efforts are at the core of companies' transparency and trust and a part of the overall corporate value proposition. They require organizational motivation, strategic thinking, change management and a talent for communication – all within the CCO's skillset. And if CCOs are not responsible for ESG and/or sustainability, according to our CCO interviews, teams are much more engaged today on these issues as partners in driving organizational change and telling that story.

Recent research conducted by Page members Sandra Macleod of Echo Research and Dr. Jim O'Rourke of Notre Dame, representing conversations with more than 70 corporate CCOs, found what many participants described as "mission creep" for the function. They wrote:

"Virtually all respondents spoke of three concerns: First, the challenge of managing expectations and tensions of communications into adjacent parts of the business. Second, a rise in expectations in business, generally, under the banner of ESG, which means the obligations and scrutiny of corporations has increased. Third, an increase in accountability in the areas of business strategy and HR, often indistinguishable from reputation management."

In the United States, executive recruiters have noticed increasing adoption of alternative titles to reflect the CCO's broadening remit. Title options include corporate affairs officer and chief marketing and communication officer, or some variation of these. The first option can include public affairs and ESG/sustainability responsibilities, while the second, as the title implies, includes both comms and marketing responsibilities. One recruiter observed that the broader titles were sometimes used to attract talent in a competitive market as they can indicate more status than the standard CCO.

Outside the U.S. we see more "corporate affairs" titles that describe a remit beyond the practice of communication. However, recruiter David Mounde of Deverill in the U.K. noted that the CCO title is catching on in Europe as the title is less burdened than in the U.S. with the misperception that it's all about communication. The adoption of the CCO title in Europe also implies more of a global focus.

“Even if we don't yet have expanded remits, we owe it to ourselves and our organizations to be effective integrators.”

- Page member

Regardless of title or remit, the role is, has always been and will forever be about minding corporate reputation. What is new today is the growing number of ways that CCOs can affect, if not lead, the many factors that impact it across the full spectrum of stakeholders.

FINDING 3:

Technological advancement outpaces our ability to keep up

In 2019, we were the first to introduce CommTech as the dawn of a more tech-centric, data-driven era of the work we do. Today the term can be found in corporate strategies and agency capabilities decks. At the same time, we predicted the rising use of technology to mislead and deceive and warned about emerging risks like deepfakes. Today, particularly because of the advent of generative AI, both the opportunities and the risks are greater than ever.

The most common efforts by communication functions pertain to the CommTech “stack,” the integrated set of platforms and systems that enable them to operate. CCOs are doing more to aggregate data from multiple sources and use it to glean insights about stakeholders and the business environment more broadly. In most cases, these systems inform current decisions and activities, but some more sophisticated teams are using them predictively to model future scenarios.

A less glamorous but increasingly essential component of CommTech is the tools for workflow collaboration and coordination. As the communication function’s members work remotely, having common systems for tracking and doing work becomes more imperative.

Teams are making substantial investments in technology but still require more skilled workers to run it. Companies will have to spend considerably more on adapting the organization (building, upgrading and integrating systems, building and training a workforce that can use them and changing policies and practices) than they will on the technology itself. This is a work in progress as the availability of professionals with these skills is still relatively limited and upskilling existing teams will take time to catch up – assuming it can ever match the pace of change at all. At the same time, much of this technology will reduce the need for certain skills as the tools become more intuitive and capable of performing tasks that until now required specialized capabilities.

Our research interviews took place around the time ChatGPT was first introduced so it was barely discussed. But it’s clear from our more recent conversations with CCOs around the world that generative AI has become a growing focus as teams experiment with its use and grapple with its risks and limitations. CCOs are drawn to the benefits of speed and scale that such technology can produce. Though prone to so-called hallucinations (it gets things wrong regularly, sometimes spectacularly so), these tools empower professionals to do old kinds of work in new ways. What the profession will need, however, is to leverage new technology to do *new kinds of work*.

“The potential rewards far outweigh the risks. Generative AI can enable productivity and business transformation at a scale and speed previously unimaginable. This is an opportunity not merely to adapt to this moment, but to shape and lead it.”

- Page member

FINDING 4:

CCOs are stretched and leading teams not yet suited to new demands

CCOs report they are struggling with a lack of skills and resources to deal with the increasing responsibilities, and many of them and their teams are working long hours under stress with little relief.

A common theme was the increasingly interconnected nature of business challenges. A good example is the management of ESG, which requires knowledge of an evolving thicket of different, sometimes conflicting regional standards. European regulators are imposing increasingly strict requirements while some American leaders demonize ESG if not ban it outright as a corporate management practice. At the same time, the CCO's role is often more than simply reporting ESG; as a practice in evolving the organization to manage long-term risk, CCOs must help effectuate change across the organization – building understanding and belief as well as facilitating transformation. This moves the communicator from conveyor of information to manager of crucial organizational change.

But the characteristics of communication functions today – the combination of teams, skills, structures and practices – are still in transition. In the not-too-distant past (and, in many cases still today), the function was primarily a support one providing communication advice and capabilities to the organization. We had teams that might have been organized by stakeholder (like a media relations group, investor relations, employee/internal communications, etc.) or by channel (social media, web/digital, earned media, executive communications, etc.). Today's challenges require not only a more integrated approach to function design but also the addition of entirely new capabilities derived from the function's need to *facilitate business transformation*.

Many Page members are re-examining the roles, teams and structures in their organizations with a focus on making sure they have the skills and ways of working in place to succeed. The approaches vary, but they tend to share a further entrenching of the function across the organization, both by embedding teams into other areas to serve as advisors and supporters and empowering those teams to independently behave in ways that build value for the organization and its stakeholders.

“Corporate reputation is crucial for maintaining and building trust with our clients and our partners. I think it is key internally to inspire employees to do their best work and get them engaged and excited about what’s going on, and I think it is also crucial to making sure we can hire the next generation of new talent and retain that talent.”

- Page member

III. What's Next for the CCO

Our research continues to show that the Page Model has stood the test of time. Its two parts – focused on engaging stakeholders and building an enterprise worthy of trust – remain the core of what CCOs are stepping up to do even more profoundly and effectively today than ever before. That is not to say that we had it all right then or that ways of thinking about it haven't evolved. But it does mean that we should still focus our thinking on stakeholder engagement and building corporate character.

The primary finding of *this* research is that the CCO is thriving as an ever-more-essential partner with the CEO in defining and activating corporate character, and that they earn their role in significant part through their essential skill at understanding and thinking critically about multistakeholder needs. This is an awesome responsibility and an opportunity for CCOs to have a major impact on the success of their organizations and on society through the value that they create.

As we look to the future, we see three imperatives for the CCO and the strategic communication function.

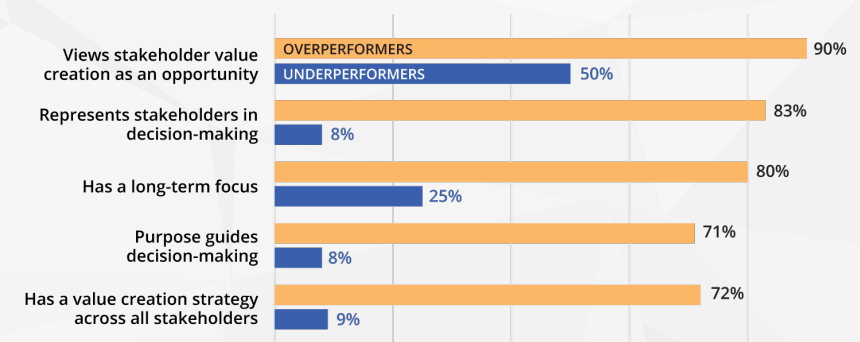


1 Advocate passionately for the multistakeholder view and ensure that the enterprise understands and responds to rapidly evolving stakeholder needs.

CCOs must focus on developing their expertise and abilities in understanding stakeholders and helping their organizations build and enrich those relationships. It's this specialized contribution that puts the CCO at the center of the most important strategic debates in organizations today. In *The Authentic Enterprise* back in 2007, Page argued that authenticity would be the "coin of the realm" for business. Transparency is an increasingly vital element of earning trust and authenticity. Organizations should lean into broad and empathetic stakeholder dialogues.

In the face of some desire to retreat by business leaders who see only pain and conflict in dealing with the complex needs and demands of stakeholders, CCOs have an opportunity and an obligation to ensure a continued commitment to the multistakeholder approach. There is significant evidence that organizations that are willing to make a long-term commitment to building multistakeholder value create more lasting value for their shareholders, as well.

Recent [research from the Institute for Real Growth](#), to which Page contributed, shows that companies that take a long-term, multistakeholder view and see stakeholder value creation as an opportunity outperform those that do not.



Source: Institute for Real Growth & Said Business School at Oxford

And [Deloitte reports](#) that "Purpose-driven companies witness higher market share gains and grow three times faster on average than their competitors, all while achieving higher workforce and customer satisfaction."

Going forward, we see these opportunities for CCOs and their teams in the stakeholder engagement arena:



Using technology to make sense of an increasingly complex business environment and identify new opportunities.

CCOs can be sense-makers, using listening and data to interpret an increasingly complex business environment. They can also be business enablers, providing and creating value through consumer and stakeholder insights and journeys, specialist industry expertise, lead generation and innovation initiatives.

Today, new capabilities are emerging, many enhanced by artificial intelligence, that can improve our ability to make sense of mountains of data. We foresee the creation of organization-specific knowledge systems that aggregate data from multiple sources and can be interrogated to reveal insights and trends. One can imagine an organizational chatbot that melds external information – news, financial reporting, social media, brokered data sets and other inputs – with internal assets like company identity, history, strategy, policies, conversations, data, etc. This will become a powerful knowledge tool, making available a comprehensive, real-time view of the world through the lens of the organization, and of the organization through the lens of the world outside. New technology will also allow CCOs to better "predict the now", allowing them to help their management find the right balance between risk and opportunity.



Rebuilding trust

In many parts of the world, business is now the most trusted institution, more than government, news media or even NGOs.⁴ For enterprises caught in the crosshairs of battling partisans on issues from climate to race relations to challenges to democracy, there is an opportunity for CCOs to reach out to build understanding between stakeholders with opposing views.

This goes to the heart of the Page Model recommendation that stakeholder engagement begins with building shared belief. Rather than assuming critics are enemies, this approach emphasizes an open mind to suggestions that will make the enterprise better while also winning critics over to a better understanding of the organization's good intentions and willingness to collaborate when shared objectives can be defined. In this respect, transparency is the new currency for trust. As data and new technologies improve predictive abilities around risk scenarios, transparency demands will continue to evolve and the importance of broad stakeholder dialogue around risks increases.



Applying new thinking and methods for managing stakeholders

Page has been a collaborator and a supporter of the Yale School of Management's (YSOM) program on Stakeholder Innovation & Management (Y-SIM), which provides a research-based and tested approach to understanding and building creative responses to seemingly conflicting stakeholder needs and demands.

The approach, developed by Page member and executive fellow at YSOM Jon Iwata, and Ravi Dhar, George Rogers Clark professor of management and marketing at YSOM, argues that lessons borrowed from design thinking can produce more positive outcomes than the tyranny of trade-offs typically associated with managing conflicting interests. They recommend viewing these interests as "design constraints," like the requirements in a creative brief. While ostensibly a limitation, seeing problems *simultaneously* through the lens of each stakeholder's distinct interests allows for the creation of solutions that maximize value for each. This flips the stakeholder-centric approach from one defined by compromises – in which someone, maybe even everyone, loses something – to one defined by innovation and novel problem-solving.

Along the same lines, the pendulum on whether organizations speak out on societal issues is swinging back toward prudence. This does not mean stakeholders no longer expect organizations and leaders to express perspectives on such issues. But it has caused them, often with leadership from the CCO, to develop frameworks for determining which stakeholders are affected, how and to what extent, and whether the organization's standing is relevant and able to make a positive difference. The criteria rightly range from one organization to the next, but their common attribute is a reliable, repeatable way to be consistent in navigating these thorny issues.

2 Continue to increase our capacity to be a strategic advisor and partner in transforming the enterprise.

The Page Model sees the CCO at the center of building corporate character, the unique, differentiating identity of the organization. This requires definition through the determination of purpose, mission and values and implementation by aligning and activating strategy, business model, operating plans, culture, policies, positions and brand.

Purpose, mission and values become more critical as anchors during times of transformation. Although those guiding documents ideally have a long-term, evergreen quality that character definitions should aspire to hold, it is also true that in times of radical change, such as the world is experiencing today, they must also be reexamined for ongoing relevance. Even in the case of a radical redefinition of an enterprise, it's important to evaluate the aspects of corporate character that remain relevant and should endure, even while changing those that no longer apply to the aspirations for the future.

In addition, as companies become more global, CEOs cannot take a one-size-fits-all approach to their employee communications. A more targeted approach is required that considers the different cultural contexts in which employees are operating.



Translate insights into strategic advice and action

Earlier we said the CCO should use listening and data to make sense of an increasingly complex business environment. Here, we go beyond that to urge CCOs to translate those insights into strategic and operational advice.

Many CCOs are taking a 360 degree perspective and earning a place in the seniormost executive discussions. This requires a willingness to give advice on business matters and work effectively across the enterprise to ensure that the needed changes are appropriately worked into strategic and operational planning and that the organization's policies, practices and incentives are

adjusted to ensure that compliance is achieved. To be successful, one must be skilled at building relationships and partnerships across the C-Suite. Cross-C-Suite councils may be required for major transformations to ensure that all voices are heard and to build consensus and buy-in.



Take a long-term view

Success in the multistakeholder world requires a long-term view. If we remain subject to the tyranny of the quarterly results, we will never be able to make the kinds of investments needed to build long-term value for society *and* shareholders. That requires a willingness to make the case to *all* the organization's stakeholders that it is dedicated to creating sustainable, long-term value for both the organization and all its stakeholders.

This is easier said than done, of course, when the executive team's compensation is tied to quarterly financial results. However, the best leaders make the case that a long-term perspective, which may require short-term investments that need time to mature before they yield dividends, is better than sacrificing long-term value creation and even the ultimate survival of the enterprise to a need to deliver short-term success.



Drive the effective adoption of AI

The CCO has an opportunity and a responsibility to help the organization learn how to use AI effectively and ethically. AI is exposing new risks and ethical dilemmas that are likely to arrive at the doorstep of the CCO. Determining truth from the avalanche of misinformation, navigating misaligned values and decoding AI bias will demand more of CCOs' attention in the future.

AI-powered communication will place a further burden on CCOs to do what they can within their remit to ensure the enormous power of these new technologies is used responsibly.

As mentioned above, there is an opportunity for CCOs to use AI to augment our ability to make sense of large amounts of data regarding stakeholders. It's essential that we use this capability responsibly and ensure that the organization puts in place ethical boundaries for its other uses of AI.

With Generative AI, the rate of change is likely to outpace the ability of society to keep up. The first battlefronts will be disruptions to entrenched models, like education (ChatGPT can write papers!), research (ChatGPT has consumed the entirety of human knowledge!) and, yes, communication (ChatGPT lets anyone create anything, even photorealistic video!).

At a minimum, these things will need to happen in a timely manner – perhaps timelier than will be possible:

2.1 A framework for responsible progress.

The capabilities of these technologies are increasingly bound not by technical limits but by those of our own imaginations. But, as we've experienced with two decades of social media, sometimes ideas meant to benefit society can have terrible, unintended consequences. A balance must be struck between the desired speed of progress and the need to make it responsibly.

Think about the likely advancement path of CommTech and so-called “performance communications.” Today we have new teams using new systems to analyze data from campaigns and other sources to develop strategies for informing stakeholders, fostering a desired perspective and moving them to action. This data enables a level of personalization that makes these campaigns more persuasive; if the objective is to move a stakeholder along a journey to an action, the more individualized the appeal, the more likely a nudge is to be successful. Enterprising teams are also applying behavioral economics to optimize these nudges. Today, this sort of real-time, iterative optimization happens in Agile teams making decisions together. It's not difficult to imagine a near future in which many of these optimization decisions are left to an AI that can experiment with various stimuli to produce a certain outcome. They will do this at an unimaginable speed and scale, without human oversight over each decision made. If the AI isn't constrained by common-sense boundaries of morality and business ethics, there's an enormous risk of abuse or adverse outcomes.

In this respect, CCOs will come to view their role as ensuring responsible adoption and application of these new capabilities as a form of brand safety. All this is to say nothing of the CCO's need to formulate rules for the disclosure of the use of AI on work products, the protection of IP (one's own and that of others) and ensuring the veracity of information. All will demand their own sets of policies and processes.

“As leaders, we bear a significant responsibility to ensure the integrity of our data and the ethics of its application. Missteps can expose our organizations to data privacy issues, legal complications and ethical dilemmas. Equally important are the human aspects — the profound ways in which this technology will reshape our workforces, automate tasks, and create entirely new categories of jobs. ”

- Page member

2.2 A regulatory regime to ensure standards.

Already there are big questions on issues ranging from models for IP protection (where AI models train on reams of third-party content like news articles and research papers without attribution or compensation) to mis- and dis-information (with AI-generated content increasingly hard to distinguish from the real, a phenomenon likely to be supercharged in a year of historically widespread democratic elections). While the European Union recently introduced AI regulations that are likely to serve as a model for other regions, the sluggish pace of social media regulation, especially in the U.S., does not suggest an ability to do this at the required speed. CCOs will be integral to creating reasonable standards and practices regardless of the timing or particulars of regulatory oversight.

2.3 A reimagining of how the organization and the function operate.

The work of developing messages and campaigns will be augmented by creating and training AI models, which will become their own class of competitive assets. Proprietary Large Language Models may be developed both at a communication team level and organization wide. Automation will create new processes, new efficiencies, and new ways of working. There will be a dramatic impact on workforces, with more tedious entry-level work – which bears on everything from career training to agency pricing models – being aided or performed by AI. This means a rethinking of how humans work with AI and will bring about a new era of work – and of communication.

Past waves promised less work when aided by new technology, but history suggests it's more likely that expectations will grow instead. We expect that organizations will develop bespoke systems infused with the large language models of GPTs and their own proprietary data. The new competitive advantage will be derived from the ability of these systems to gather, interpret, deliver and apply information. This will require wholesale changes to roles, skills, systems and processes. That said, we know that such systems contain entrenched biases, and it's important to remember that they function based on the information on which *humans* decide to train them and the quality thereof.

2.4 New media literacy

The people using this new technology, and especially those who don't use it but are subject to it (think about someone encountering a deepfake before even knowing what that is), will need a much more current understanding of the information ecosystem to avoid the nefarious efforts of bad actors. A few years back the scourge was "fake news," often taking the form of a news article on a fake news website made to look like a real one. The unsuspecting reader might not have looked too closely at that article in the Colorado Beacon Journal (not a real publication), but over time, as awareness of this technique grew, so, too, did the discernment of readers. The same will have to be true of AI as people must often determine for themselves what information to trust and share.



Lead on societal value, culture and corporate brand

In the *Pacesetter* report, we made the case that CCOs have an opportunity to wield significant influence in the organization if they focus on societal value creation, corporate culture and corporate brand. These three levers are even more important today than they were in 2019.

CCOs are more involved in developing employer brands and cultures that attract and retain talent through a purpose-driven approach. Customers and clients have many of the same expectations, putting extra urgency on establishing a clear and actionable purpose and values. CCOs are often the champions of the envisioning process, helping to articulate and bring the purpose and values to life.



Societal value creation – or stakeholder capitalism – is the evolution of the idea that business has an opportunity and a responsibility to build value not just for customers, shareholders and employees, but for the communities they touch and for society at large. It also recognizes that a long-term, sustainable business is not possible in a world in decline and accepts the moral premise that all institutions have an obligation to ensure the human race and the planet we inhabit not only survives but thrives.

Today, calls for business to step up are even louder due to the increasingly obvious challenge of climate change, the geopolitical challenges of war and big power rivalries, the need to ensure opportunity for people of every race and background and the impact of technology on social polarization and loneliness.

Younger employees are demanding more social responsibility from their employers. As their faith drops in government, NGOs, religious and other societal institutions, millennials, and Gen Z have come to rely more on business to act.

For business leaders who are put off by the anti-woke backlash and outright opposition to both ESG policies and DE&I progress, there are two compelling answers:

- Don't back off organizational commitments to doing the right thing for the right reason but do change the way you talk about it. Recent [research by maslansky+partners](#) shows that responsible businesses using plain language to describe their actions earn support even from ESG opponents.
- Stick to it and execute. Over the long term, you will create both societal value (silencing anti-greenwashing critics) and shareholder value silencing anti-ESG critics).

The [Page CCO Guide on Stakeholder Capitalism](#) is available to help CCOs advise their organizations on these issues.



Culture and employee well-being are more central to the role of the CCO than ever before because of the intense work pressures generated by the pandemic and accelerating pressures on organizations to evolve.

Boomers are retiring while younger employees expect remote work options, causing waves in the talent pool. CCOs are responsible for helping to create more employee belonging in a hybrid world as companies endeavor to reimagine the future of work.

The CCO is often a close partner with the CEO and often the head of HR in designing and activating culture change. In fact, some CCOs are being given direct responsibility for people and culture.

The [Page CCO Guide on Culture Change and Management](#) is available to help CCOs advise their organizations on these issues.



Corporate brand also continues to increase in importance as organizations rethink their business models and brand propositions. When properly understood and managed, the corporate brand is an important driver of business transformation, long-term success and behavior of the entire organization. This requires strong support from business leaders.

In fact, culture and brand should be managed in tandem, with the desired behaviors in the culture change aligned with the desired experiences for stakeholders in all the touchpoints with organizational employees.

The [Page CCO Guide on Corporate Brand Leadership](#) is available to help CCOs advise their organizations on these issues.



Connect with and support the organization's governing board

Many CCOs do have constructive relationships with the governing board of directors. With the increasing materiality of issues that either have communications at their heart or require it to be solved, like the threat of activist investors and the appropriateness of the focus on responsible corporate governance, there is an opportunity to do more.

First, boards increasingly go beyond financials to oversee the management of the organization's intangible assets, including corporate brand and reputation. They also are more likely to seek to understand the complexities of the turbulent multistakeholder environment in which the organization must exist.

"The growing importance of CCOs to boards is directly correlated with the complexity and volatility of today's business environment," wrote Richard Marshall and Peter McDermott of Korn Ferry in their latest report, Chief Communication Officers: A New Face on the Board. "Boards play a critical role in helping management to navigate issues that influence public perception of the firm, including business transformation related to artificial intelligence, diversity and social-impact initiatives, talent recruitment and retention, domestic and international regulatory policy, and geopolitics."

This presents an opportunity for the CCO, in partnership with the CEO and other C-Suite colleagues, to ensure that the board is engaged and informed in all the areas where the CCO is taking the lead, as described throughout this report.

Second, there is, in some cases, an opportunity for members of the board to engage with stakeholders on behalf of the organization. Particularly when significant transformative change is taking place, the CEO may need help with certain stakeholders who have reservations or concerns. Good boards will have experienced leaders with credibility who can assure concerned stakeholders that the organization's strategy has been well- vetted by the board and has the potential to be very successful in meeting that stakeholder's needs.

Third, there is an opportunity to build a public persona for the board itself that could be very helpful in building credibility for the organization and even, possibly, warding off potential activist investor challenges. If the board can be better understood publicly as having knowledgeable and engaged independent directors who are effectively working together and providing oversight to the management, that's a signal of good governance that is valuable to the organization's public reputation.

3 Upgrade the capabilities of the communication function as a leading-edge business partner and transformation leader.

One of the most important findings in this research is that CCOs and their organizations, while more in demand than ever before, are also struggling to keep up. The skills, knowledge, capabilities and resources that they need are not always present.

An important imperative, therefore, is to increase the effectiveness of the strategic communication function in the organization. Here are some considerations to guide your approach.



New functional capabilities

High-performing communication teams of the future will have excellent strategic communication skills, high media literacy, business acumen, data analytics and content-driven competencies. Data science will become even more important with the CCO relying on analysts who access the raw data from a tool stack and have the analysis visualized into a dashboard measuring the impact of initiatives in ways that they have not been measured before.

AI will take over the development of some more mundane tasks like media monitoring, data reporting and some creative activities such as copywriting and storyboarding, although it will be important for communication team members to champion quality and accuracy.

In addition to a strategic mindset and capabilities, soft skills such as listening, persuasion, conflict resolution and influence without authority will be imperative. The communication team will need to work cross-functionally as true strategic partners, able to weigh different stakeholder interests. A global mindset will also be critical. More than ever the CCO of the future needs to be able to bridge gaps between languages, cultures and value hierarchies in a world where East and West are becoming more bifurcated.



New structural models

Communication teams have evolved in structure, especially during the pandemic. Along with traditional communication and marketing skills, the focus now is on building new skill sets in other areas. At the same time, CCOs must build effective operating models that are flexible enough to adapt as context, needs and priorities evolve.

Agile systems are being incorporated where there is an activity or project-based working group and a need to reorganize around projects as they come in. There are mixed views of this approach. Some feel that employees perform better in definitive roles with measurable performance goals and skills. Along the same lines, the [“project economy” and “fractional labor” are presenting new ways of thinking](#) about how to commission and compensate workers for their time and skills.

The runway for adopting new structural models that are flexible enough to adapt as context, priorities and needs change is relatively short. Pundits predict significant organizational change because of AI in the next 18 months to three years. CCOs should start thinking now about their future needs and begin the process of change by reviewing their own function.

New communication infrastructure will also be required that allows CCOs to better mitigate mis- and dis-information. The focus on identifying and adopting new infrastructure and organizational models may test some CCOs. They are typically good at communications, but not necessarily at building new organizational systems. This will be a future requirement.



Efficiency, focus and prioritization

To be able to take on the higher-level strategic responsibilities that are coming their way, many CCOs have concluded that they must eliminate non-strategic support tasks. This is not always easy, as business units have come to expect communication teams to deliver routine services, including drafting routine personnel announcements or event planning.

Another option is to use AI to automate routine activity and jump-start strategic thinking. This has the potential to allow team members to get more quickly to the high-value-add activity that CEOs are demanding.



Demonstrating value

One of the most difficult challenges facing CCOs is how to justify their need for additional resources. Even as CEOs are demanding more from the communication function, it is often still seen as a cost center by the CFO.

The CommTech approach that Page laid out in the Pacesetter report makes the case that communication functions can effectively move stakeholders down a path to actions that benefit them and help the enterprise to achieve its goals. Today, new AI capabilities and access to increasingly relevant data can be used to demonstrate how we can build not only reputation and trust, but also stakeholder actions that lead to business results and societal benefits. This data can also help articulate the value of reputation and material risk mitigation in a way that speaks directly to Boards, thereby making it easier to make the case for continued investment.



IV. Conclusion: The Challenge Before Us

When we published *The CCO as Pacesetter* back in late 2019, we challenged global CCOs and their teams to step up their efforts to serve as strategic business leaders at a critical moment of challenge to businesses worldwide. We advised CCOs to fulfill the aspirations that we had set out in earlier reports: *Building Belief*, which introduced the Page Model, and *The New CCO*, which described the skills required to be the kind of strategic business leaders for which the Page Model calls.

As a result of our new research, we can report that most CCOs around the world have indeed stepped up, and many are taking on broader responsibilities as business leaders. At the same time, unfortunately, many CCOs and their teams are struggling to acquire the skills and resources needed to execute the responsibilities that they have been given.

We described in the *Pacesetter* report rising stakes based on “an existential challenge to transform” our organizations in the face of rapidly changing business models and stakeholder demands. We also noted that “every business, institution and industry is confronting the socio-economic and political aftermath of the Great Recession, including the rise of populist reaction against global integration and increasingly activist employees and other stakeholders.”

Today, we see even greater threats to the global order from a crisis of trust in institutions, regional conflicts with global consequences, growing political polarization around the role of business in society, accelerating technology and the role of AI. More than ever, businesses are being driven to transform in the face of these challenges, and CCOs have demonstrated that they have an opportunity to help.

We saw, in 2019, “both existential threats and new leadership opportunities to today’s enterprises and institutions,” and we called on “business ... to rise to a new level of societal leadership.” This, we concluded, “requires new things of our profession – new ways to build authenticity, corporate character and trust and to turn them into lived reality.”

Today, in the face of even more polarization and division, including a backlash against businesses determined to account for the best interests of society, the stakes are even higher. That’s why in this report we are challenging our profession not to retreat from its commitment to the multistakeholder approach, but rather to embrace the opportunity to take a long-term view of what’s right for our businesses *and* society and to work within our organizations to build a strong commitment to delivering results for *all* stakeholders.

This will require us to continue to evolve our function, increasing our skills and capabilities through new structural models, advanced training, prioritization on the things that matter and proving value through data that demonstrates both business results and societal benefits.

We are determined to be a force for reconciliation and trust as we, in the words of Page’s statement of purpose, “... create community among the world’s senior communication leaders to help them improve business and society.”

It’s a noble calling – one that we embrace with passion and commitment.

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