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# THE FUTURE OF

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# CORPORATE COMMUNICATIONS



# The post-pandemic era has solidified communications as a critical strategic partner



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The post-COVID-19 era has solidified communications as a critical strategic partner to the enterprise. Chief Communications Officers (CCOs) and the communications function itself continue to face new and ongoing pressures. In turn, they are rethinking and reshaping the role as they drive decision-making, operations and priorities for the future. In just two years, we've seen a massive shift, from communications earning a seat at the table with senior leadership to owning their place as strategic advisors. CCOs now report spending nearly one-fifth of their time, almost a day each work week, counseling the CEO on non-communications activities. For the communications professional, the role has expanded, and the stakes have increased.

In our 2023 Future of Corporate Communications study, we examine the current state, evolution, and forward-focus of the corporate communications function in today's multistakeholder universe. Building on our 2021 study, which mapped the state of communications during the upheaval brought about by the pandemic, we set out to understand just how much progress has been made since, both at the leadership level and for the function broadly.

For this 2023 study, we surveyed more than 200 C-level or senior-most communications executives from Fortune 500 and Forbes Global 1000 companies and conducted more than 20 in-depth interviews. This cross section of leaders from mainly U.S. headquartered companies represents an array of sectors, including financial services, health, manufacturing, retail, and technology. Respondents represent both B2B and B2C businesses. Insights were informed by Edelman Trust Barometer research, which most recently documented the rise in employee influence on organizations, the gap between progress on DEI issues seen among executives and employees, and other major trends.

In the following pages, you'll find a summary of the top insights from this research. Notable highlights include:

- Leaders are increasingly informing enterprise decision-making beyond traditional communications
- Demands on the function continue to expand, but resources are not keeping pace
- Actionable data must be at the heart of advanced communications
- Employee communities are more complex than ever and have reshaped the stakeholder landscape
- Purpose is still a vital component of driving long range strategic clarity and attracting top talent
- For most respondents, the challenge of integrating new technology, including AI, is front of mind
- Communications leaders will be at the center of shaping the next phase of stakeholder capitalism

This work would not be possible without the collaboration and partnership of Edelman Data x Intelligence (DxI), our data consultancy business. We thank the Observatory on Corporate Reputation (OCR), who helped us engage the leaders who participated in this research. We also thank our new and returning contributors for your time and perspective.

We hope these insights provoke dialogue, inform decisions, and help you shape the future of your function.

# Communications is operating at the nexus of value creation and risk mitigation. Is the function equipped to deliver?

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### Tomorrow's Communications Agenda

More than a year has passed since the pandemic officially ended, but businesses have continued to navigate an array of societal pressures, geopolitical issues, and ESG priorities, in addition to facing ongoing calls for employers to lead in the face of declining trust in other institutions.

This state of play has awakened CEOs and Boards to the value that communications can and must provide. Executives are pushing hard on communications leaders to operate as a strategic partner to the enterprise that anticipates and mitigates challenges and seeks out value-creation opportunities across the stakeholder landscape.

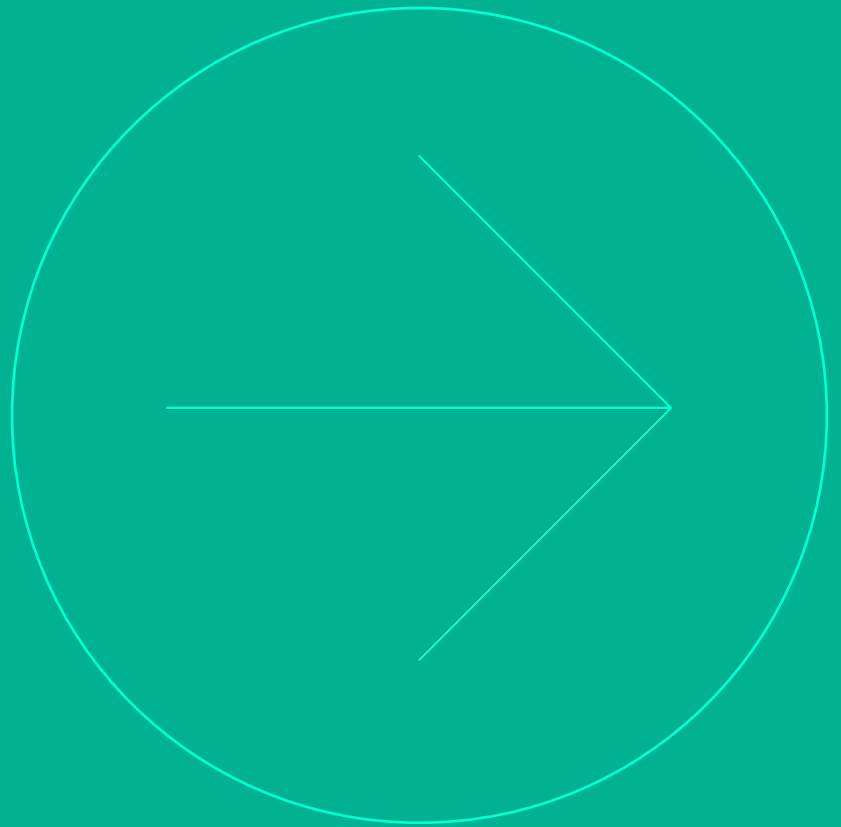
Amid these pressures, CCOs are demanding a stake in the strategic conversations taking place, to ensure they can deliver on these new expectations at a time when mistakes are costly.

The role of the communications leader continues to flex, with CCOs taking on more responsibility, more partnership, and broader scopes of work. They are tapped to inform key decisions and are the first call when a crisis hits. They are often the frontline responders to employees seeking to understand company positions, values and impact, all the while inspiring teams to be effective messengers of the corporate brand.

In addition, communications leaders are protecting against reputational risk, navigating the evolving frontiers of ESG, AI, and the demands for innovation driving the agenda forward.

**Today's CCO oscillates daily between advisor, confidant and practitioner, serving at the nexus of nearly all company functions. Tomorrow's CCO will be expected to steer the enterprise to win the war for trust by leading a function that is poised to deliver in all these capacities.**

# The State of Play for Communications Today



Senior leadership is calling on communications to advise on business and societal concerns, firmly cementing the function and its leader as a critical partner in enterprise strategy.

# Communications leaders have cemented their place as critical strategic partners.

## Communications leaders are increasingly informing and advising the enterprise on strategy.

At the time that we relaunched the Future of Corporate Communications study in 2021, we were seeing signs of a rising tide, one that was elevating the overall importance of the communications function. The COVID-19 pandemic had already catapulted communications to the forefront and forced critical changes in interactions with key stakeholders, most notably employees and customers.

The modern information ecosystem and rise of public dialogue around key societal and environmental issues has kickstarted enormous mindset and cultural shifts on the part of executives and their communications partners. Today, ongoing geopolitical, societal, and environmental pressures on business, and the continued calls for employers to lead in the face of eroding institutional trust, have placed communications at the center of strategic decision-making for the world's leading enterprises.

By placing communicators in a central position – one that informs the enterprise's transformation agenda – the upward advancement of the function and its leaders is well underway. CEOs and Boards have awakened to the value communications can and must provide, and they're pushing communications leaders to operate as a strategic partner to the enterprise.

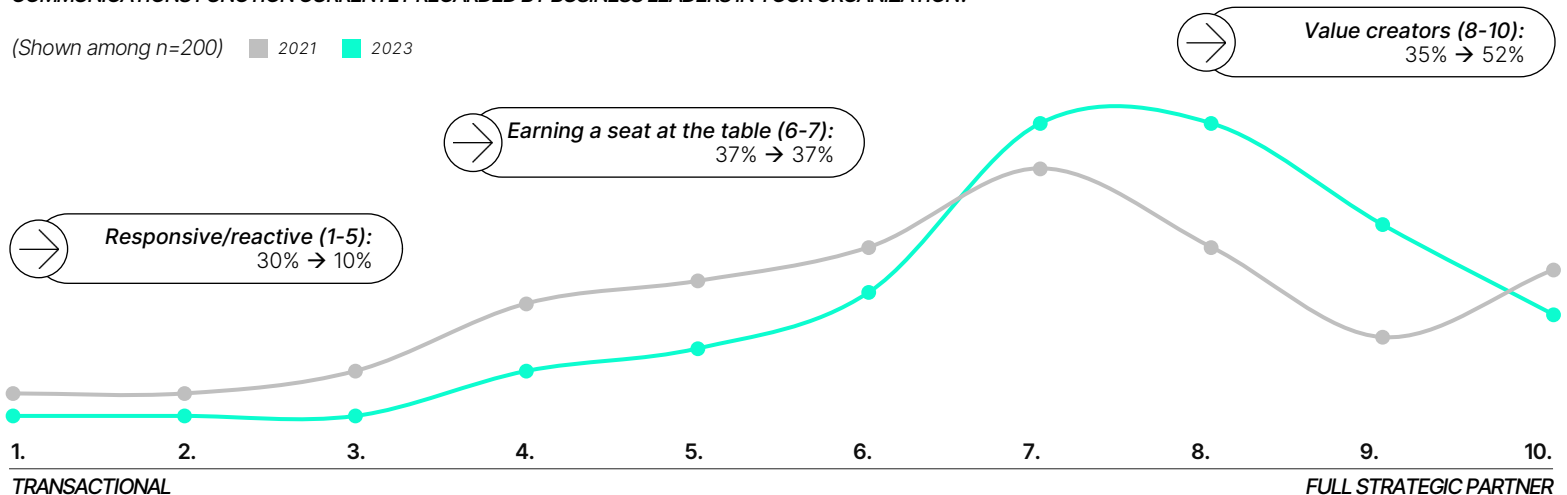
Today, half of CCOs consider themselves to be a strategic advisor to business leaders in the organization, compared to just over a third (35%) in 2021.

At the same time, only 10% of CCOs report that they are struggling to break from cost center positioning, compared to 30% barely two years ago.\*

\*The 2021 study used the term "full strategic partner" rather than "full strategic advisor."

ON A SCALE OF 1 TO 10, WITH 1 BEING TRANSACTIONAL AND 10 BEING FULL STRATEGIC PARTNER, HOW IS YOUR COMMUNICATIONS FUNCTION CURRENTLY REGARDED BY BUSINESS LEADERS IN YOUR ORGANIZATION?

(Shown among n=200) ■ 2021 ■ 2023



## With elevated positioning comes expanded responsibility — and the pressure is mounting.

It is no coincidence that the increase in the proportion of communications leaders holding strategic positions within the enterprise comes at a time when companies are navigating treacherous reputational waters.

Well aware that reputational risks have material impact, C-suites and boards are increasingly leveraging the CCO as a frontline advisor who informs decision-making across business and societal issues.

Most communications leaders (64%) report being brought into conversations about important business decisions when a decision path has been only *tentatively identified*. This compares to just 9% who say they are brought in *after* decisions have been reached.

As a result, CCOs, and the insights they provide, are increasingly viewed as critical to enterprise success. However, with great success comes even greater responsibility, and the pressure is mounting.

Nearly 80% of communications leaders report that their role is more demanding than it was 12 months ago. And according to CCOs we surveyed, “demands from boards of directors or other senior leaders” is the number one force impacting the communications function and agenda, even more than the regulatory environment or AI.



I spend much more time working directly with our CEO than with any other member of his executive team.



We’re absolutely brought in immediately. We’re seen as a critical part of the team. It’s the “well-oiled machine” part where it gets more challenging.

### TOP 6 FORCES OR FACTORS MOST IMPACTING YOUR COMMUNICATIONS FUNCTION AND AGENDA:

1. Demands from board of directors or other senior leaders
2. Pressure to engage on social issues
3. Anticipated changes in regulatory environment
4. AI disruptors in technology
5. Increased importance of sustainability and climate
6. Geopolitical issues

## CCOs tell us that nearly **one-fifth (18%)** of their time today is spent counseling the CEO on non-Comms activities.

That's the equivalent of almost **one full day a week**.

# 77%

Agree that their CEO demands more of them today than a year ago.

# 66%

Say that the advisory their CEO seeks extends well beyond communications to impact business decisions across the enterprise (e.g., supply chain, product issues, employee issues, among others). This is even higher (79%) among those communications leaders who say they have achieved full strategic advisor positioning.

## Communicators are expected to manage a vastly expanded set of stakeholders.

A number of respondents referenced the dramatically expanded list of key stakeholders they are required to address in today's environment.

Media, customers, and investors have long been focal points. Today communicators must also prioritize employees, prospective talent, suppliers and partners, the general public, regulators, activists, and NGOs, along with endless permutations of subgroups within them.

The communications function is also tasked with a significantly longer list of responsibilities above and beyond traditional public relations, crisis, and newsroom activities. This list now often includes broader corporate affairs and public policy, employer brand and values, leveraging data and social listening to anticipate behaviors, developing insights to inform decisions, and reputation and risk management.

“

I don't really think about it from a communications perspective anymore. It's a broader corporate affairs lens, in terms of both corporate reputation and corporate character. How do we think about managing our stakeholders end to end?

“

My relationship with the CEO has evolved. If we'd had this conversation 6 months ago, I'd be saying something different. But there are now more touchpoints, and there's more awareness, more access.

## Yet resources are not keeping pace with the new reality.

Against a backdrop of global economic uncertainty and fractured political environments around the world, communications is being asked to do more, yet investment in the function has stalled.

Despite the gains in strategic positioning over the last two years, operational support for communications leaders and their functions continues to lag. Moreover, the budget commitments CCOs do have on paper are viewed as vulnerable. Nearly half (44%) of communications leaders don't feel their CEO understands the resources needed to inform and shape the enterprise's decision-making or to deliver successful execution of communications programs.

Compared with our 2021 report, a smaller proportion of CCOs this year (40%) expect their budgets to increase over the next year, when more than half expected to see increases two years ago. In addition, just over a quarter (28%) of CCOs today expect their budgets to remain flat, versus only 16% in 2021. A similar share of CCOs this year (30%, versus 29% previously) say they are facing moderate budget cuts. Promisingly, the proportion facing cuts has held steady, but fewer CCOs can rely on budget growth.

Overall, communications is still struggling to receive the consistent support needed to evolve. CCOs attribute the inconsistent funding, in part, to the ongoing difficulty of directly linking communications activities to business outcomes.

**26%** of CCOs say communications is more likely to land on the budget chopping block than other departments, such as marketing or sales.

**73%** of communications leaders believe it is likely that their planned communications budget will be changed over the next 6-12 months.



I would love to send a dashboard of accomplishments to the board every month. But how do you put a value on some of these metrics?



Every day, my number one challenge is solving for how we get more funding to do what we need to – and I'm asking the leader who sees funding requests from across the entire business. Our business case has to be pretty tight.



Our CEO sees the value in the function as a whole, and we've discussed what's needed, but it's still not a huge budget.

TOP RANKED AREAS OF ANTICIPATED INVESTMENT OVER THE NEXT 18 MONTHS:

**61%** Capabilities and processes **61%**  
**49%** Strategy **49%** Platform technologies and systems  
**41%** Culture **39%** Skills/training  
**37%** Back-end data and analytics



# Key Considerations

For all the gains made over the last two years, communications leaders must continue to evolve the function's positioning within the enterprise, for the sake of enterprise competitiveness and performance.

## 1. **Key stakeholders, and what influences them, are evolving. Is it time to update your stakeholder map?**

Consider taking this opportunity to revisit the fundamentals. Who are your most important stakeholders, where are they getting their information, and what is influencing them? It is critical for communications leaders and their teams to understand how key stakeholders are showing up and what motivates them, to anticipate and mitigate challenges as well as seize opportunities.

## 2. **The new state of play consists of regular access to and interaction with the CEO and broader C-suite, along with periodic reporting to the board. Are you advocating for this access and exposure?**

As reputational risks proliferate from an ever-expanding set of stakeholders, communications leaders need to reinforce their strategic value across the C-suite and position themselves to inform decision-making. Don't wait for the rest of the leadership team to come to you. Push to provide standing updates to the board; bring benchmarked, data-enabled insights; and insist on a communications team member participating in most conversations of consequence.

## 3. **The business case for communications needs to be airtight. Is it time to revisit how you are tracking ROI?**

The days of measuring communications performance solely through the lens of media impressions and sentiment are in the past. Yet proving the ROI of communications is an imperfect task. Because the stakeholder landscape and enterprise demands are rapidly evolving, communications leaders would be well served by asserting ownership over the unmet need to define communications' measurable value and demonstrate progress against benchmarks and targets. Doing so will put you on equal footing with other functional leaders more accustomed to measuring their progress and performance against stringent enterprise outcomes.



**It's always important to go in with a really strong case. What's the value this investment or hire is going to add to the company? It's not about how it will make my life easier to have one more person. Rather, what percentage increase in performance can it drive?**

# The New Leading Indicator



Communications was once predominantly tasked with executing C-suite priorities after decisions had been taken. With CCOs moving into more strategic roles, that positioning has changed. Communications insights now foreshadow and direct executive leaders' attention to the next frontier of both value creation and reputational risk.

# Communicators inform and guide enterprise decision-making from a central position as connector.

## Discerning and interpreting signals from an expanding stakeholder set is of growing importance to the C-suite.

Beyond crisis management, executive leadership teams and boards are beginning to understand how effective stakeholder management can drive value creation.

Today, the single most important change driver impacting the corporate communications agenda, according to communications leaders, is demands from boards of directors or other senior leaders. What's behind this groundswell of internal leadership pressure on communications? A long and steady accumulation of multistakeholder management expectations across the enterprise, finally coming to a head.

The post-pandemic reality has positioned the communications function and its leader at the intersection of all stakeholder factors that might drive business. At the same time, the C-suite and the Board have become more accustomed to bringing communications in at the ground floor of decision-making. A growing number of CEOs and Boards now ask communications leaders to provide stakeholder insights to interpret signals, illuminate what matters, support decisions, and influence stakeholders both before and after enterprise actions.



There's a thousand percent greater demand and frequency of demand on our function than there was just a few years ago.



Communications has always been a connector. The role of the chief communications officer has grown because of the intersection of so many issues.



I've been blessed with a leadership team that understands that communications is most effective when it partners across the entire enterprise. It's the philosophy of partnership across the c-suite brought to life.

More than just CEO perspective on communications has shifted. Nearly all CCOs we surveyed agree that other C-suite leaders in their organization would say that the communications function:

1. provides indispensable partnership **(95%)**,
2. delivers high overall value across the organization **(98%)**,
3. strengthens connections across the enterprise **(99%)**.

## The insights gained are helping CEOs make more informed decisions regarding when and how to address issues and drive change in an uncertain environment.

In addition to leading the business, CEOs are increasingly asked to take a stand on a wide range of domestic and global issues.

According to our 2023 Trust Barometer: Trust and the CEO Special Analysis, across the globe, CEOs are expected to be drivers of change, with the treatment of employees now topping the list of priorities. And the anti-ESG movement in the US has not dampened the public's expectations for business and its leaders to speak up and push for change on climate change, discrimination, the wealth gap, and immigration.

This pressure to earn, maintain and leverage both personal and enterprise trust has CEOs relying on the CCO for both executive communications support and to inform the overall corporate-level strategy, particularly as it relates to social issues (8 out of 10 CCO respondents say they collaborate directly with the CEO on social issues). Overall, communications is helping to anticipate stakeholder motivations and responses and inform proactive CEO actions and communications.

**98%** of CCOs say their relationship with their CEO is more important than ever

**8 in 10** CCOs directly collaborate with their CEO to address social issues.

**76%** of the general public says CEOs must drive change rather than maintain the status quo.

**89%** expect CEOs to address treatment of employees – the top issue where they feel CEOs should take a public stance.

*\*2023 Edelman Trust Barometer Special Analysis: Trust and the CEO. General population, 27-mkt avg.*



**I'm in with my CEO at least once a week, and we must swap at least 10 emails a day.**



**I've always had regular engagement with the CEO. I'm also part of the executive leadership team that meets quarterly.**



**Almost every week, my CEO calls me in the middle of the night. And sometimes I go into his office and say, this is a teachable moment. If you don't have that kind of relationship, this job is very difficult to do.**



**We've grown closer as a strategic business partner due to the nature of the world. Now I meet daily with the CEO, and we meet quarterly when the board and ELT convenes.**

## Actionable data must be at the heart of an advanced communications function.

The legacy communications function was rooted in media intuition and a native understanding of human behavior. Today, this intuitive approach is increasingly running counter to the aggregate insights that mature, quality data provides.

Executives have come to expect consumer-grade data and analysis, as well as insight pulses that echo the real-time sophistication of political polling, when considering the expanded set of stakeholders under today's communications purview.

This means communications teams are driving reporting and insights around stakeholder mindset, values, preferences, behaviors, and triggers.

As the availability of mature data grows, and as the pressure around issues continues, CCOs are brought in to inform major enterprise decisions before they are too far down the path. CCOs who say they are brought in before a decision outnumber those who say they are brought in after, by a factor of three to one.

Actionable data enables the communications function and its leader to be a trustworthy source of knowledge that brings clarity, greater certainty, and predictive value to strategic decisions.

*I AM TYPICALLY BROUGHT INTO CONVERSATIONS ABOUT IMPORTANT BUSINESS DECISIONS WITH OTHER SENIOR LEADERSHIP...*

**64%**

When a decision path has tentatively been identified but leaders want input around reputation or stakeholder considerations

**27%**

Before the business decision has been taken

**9%**

After the business decision has already been taken



**It only takes one crisis to realize the importance of good, quality data and facts, versus hearsay.**



**It's incredible that we can go into our CEO and share what the data is telling us, what we're reading in the press, and what our target audience is thinking. All this delivers with weight.**



**Data quality is critical, so we're investing more in data scientists and people with analytical skills. Data is our fuel.**

*COMMUNICATIONS FUNCTION RESPONSIBILITIES INCLUDE:*



**Digital & Social Media: 72%**



**Measurement, Monitoring & Analytics: 68%**



**Social Listening: 67%**



**Audience Insights: 31%**

## The need for more quality data is a driving force behind the centralization of the communications function.

In just two years, the proportion of communications leaders who report that their teams operate according to a centralized structure has grown by 50%, as enterprises look to solve for the most efficient and effective way to put informed decision-making at the core of their day-to-day operations.

As discussed in our 2021 report, no single organizational structure is right for all companies. Functional and business unit partnerships across the enterprise remain critical to the success of communications plans. Yet the gravitational pull toward the center is clear, and C-suites are supporting this shift as enterprise transformations continue.

Communicators who lead a centralized function have a more holistic view of the company, which puts them closer to the strategy. This structure enables communicators to leverage information across the enterprise instead of in silos, allows data to be applied more effectively, and equips CCOs to manage risk and respond to crises more efficiently.

The centralized function allows communicators both to be strategically broader, and continue to deliver on core responsibilities, such as media relations and newsroom activities.

Communications leaders report that they partner closely with:

- the CEO **(70%)**
- Legal/General Counsel **(51%)**
- Human Resources **(33%)**
- Investor Relations **(22%)**
- Marketing **(22%)**



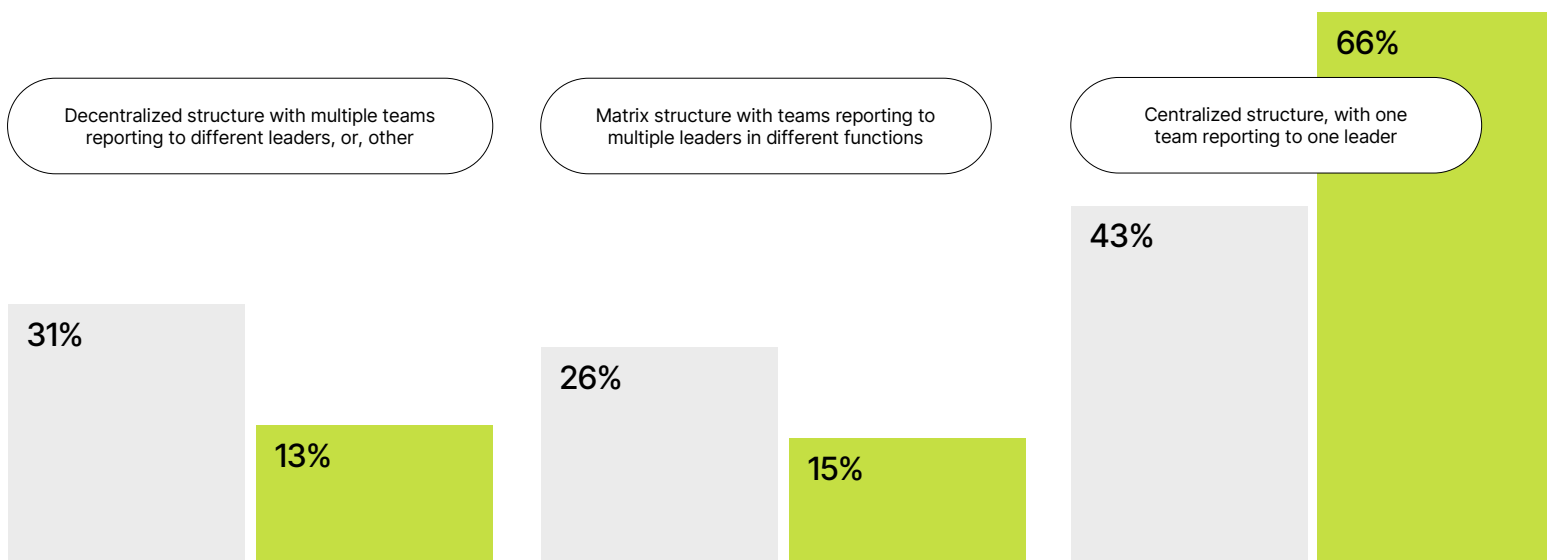
**We've centralized our comms function. Rather than everybody reporting all over the place, they now report centrally, which mitigates risk and allows for a more holistic view across the company. I'm very happy where we are; we can provide one holistic message tailored to different stakeholders.**



**We all share the common goal of wanting to strengthen our brand and reputation. But how it actually all integrates has been one of the biggest challenges.**

### HOW IS YOUR COMMUNICATIONS FUNCTION CURRENTLY STRUCTURED

■ 2021 ■ 2023



# Key Considerations

Communicators and their teams' insights are increasingly relied upon by the broader executive team. They are asked to incorporate technology and data to drive traditional communications programs and inform more enterprise decision-making. Find the structure, relationship model, list of key partners, or ways of working that best help your function insulate against risk and optimize for bandwidth.

**1. Executives are looking for communications leaders to function as strategic partners. Is your function's structure optimized for access and responsiveness?**

While some decision-making authority may sit within the business unit, there remains a need to communicate at the enterprise-level. There is no one-size-fits-all communications organization structure. The key is ensuring you have adequate support at the right levels of the enterprise.

**2. CEOs are under increasing pressure to take a public stance on key societal issues and are turning to the communications team for support. Are you equipped with the tools you need to navigate the evolving issues landscape quickly, carefully, and with certainty?**

Being ready to respond to societal issues requires knowing your organization's values, planning for worst case scenarios, and establishing processes to analyze and determine what you will or will not act on, why, and in what manner. It also means understanding what decisions are being made in other parts of the company that may create a reputational challenge or opportunity. For example, language in a job description can quickly become a media story in the societal issues landscape. Build relationships across functions and establish regular issues sensing to stay ahead of the conversations.

**3. Communications is increasingly data led. Are you exploring new ways to incorporate data into your function?**

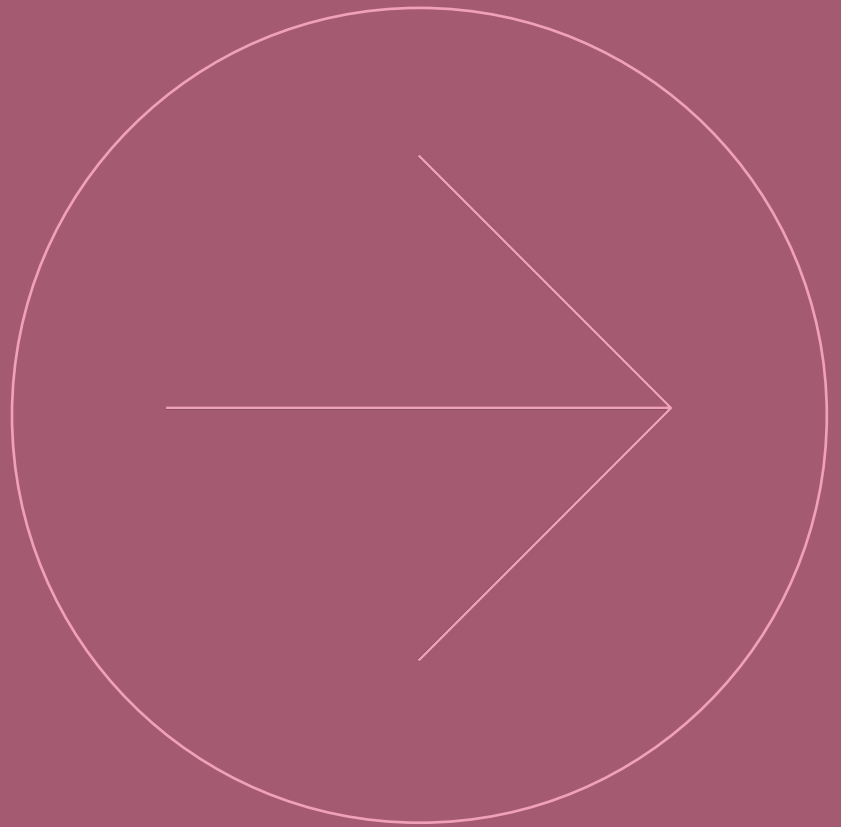
Technology-enabled solutions (including artificial intelligence) and other predictive technologies are being piloted across internal and external communications channels to scale the function.

**“We're absolutely brought in immediately. We're seen as a critical part of the team. It's the “well-oiled machine” part where it gets more challenging.**

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# Reputation

# Begins Inside



CCOs are balancing complex forces in today's stakeholder reality, with the employee solidified as one of the most important voices driving both risk and value creation.



# The enterprise agenda is driven by a new multistakeholder dynamic, which CCOs manage from the inside out.

**Employees are more important to the enterprise than ever – and they are also more complex.**

Today, employee voices stand out amidst the ever-expanding chorus of enterprise stakeholders. Employees are the closest to value creation, likeliest to advocate, and first to whistle blow. And employees' experiences and assessments radiate outwards to consumers, media, regulators, activists, and the public.

We know from our 2023 Trust Barometer research that amid a broader institutional decline in trust, "trust in my employer" stands out as the exception. And employees have made it clear that they expect their employers to make an impact on a variety of issues, including ESG. Business leaders' ability to balance the risk and opportunities in meeting employee expectations requires a new approach to stakeholder management, one that looks from the inside out.

But employees as a stakeholder community are not a monolith. At present, we have five generations in the workforce at one time – more than at any point in history. These generations span before, during, and after the emergence of the digital ecosystem that is accelerating the pace of change; they exhibit widely varying expectations about the meaning and value of work, with greater access to the kind of information that can force business to change; and they are all being shaped by the continuing evolution of how information is shared, validated and leveraged.

Our 2021 study signaled that the growing focus on the workforce would not be a pandemic fad. Two years later, the complexity of this stakeholder set continues to reshape how communications teams manage *all* stakeholders.



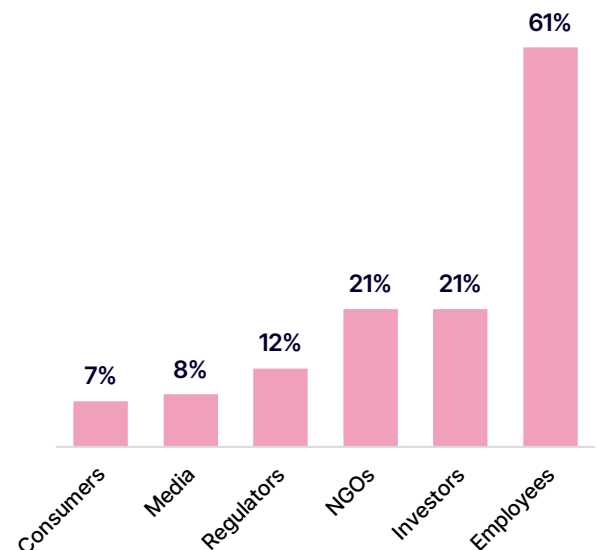
**My comms function used to be seen as externally focused. We're now 75% internally focused, because it starts inside. If we take care of our people, they take care of our customers, and our shareholders are happy."**

**Two of the top five responsibilities** that have grown the most as priorities to CCOs and their CEOs over the past year relate to employees: *Internal communications* (at #3) and *organizational culture and employee experience* (at #5).

Also on the list are *crisis and issues management* at #1, *executive communications* at #2, and *communications strategy* at #4.

Additionally, 41% of CCOs rank *culture* among the top five areas of investment over the next 12-18 months.

**WHICH STAKEHOLDERS ARE PUTTING THE MOST PRESSURE ON YOUR ORGANIZATIONS TO ACT ON SOCIAL ISSUES?**



## Communications is increasingly held accountable for ensuring that employee concerns are heard and the social issues they care about are addressed.

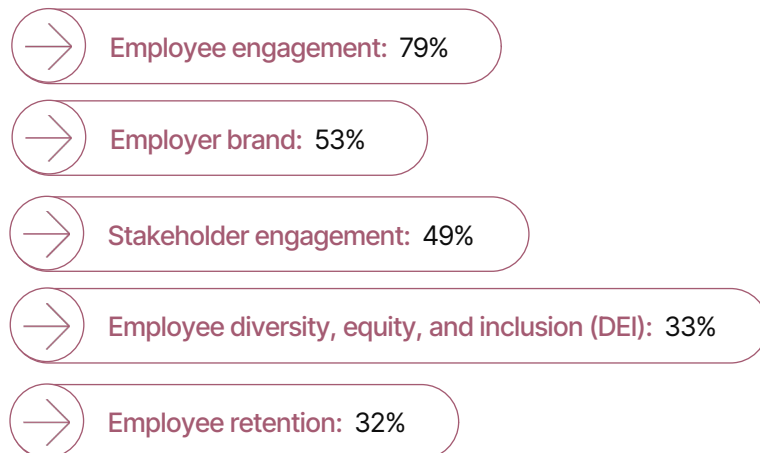
The prioritization of employee matters is a top line item on the communications agenda. In fact, employee-related factors represent one-third of the top 15 outcomes communications leaders said their functions were held formally accountable for delivering against over the past year.

We know from our recent 2023 Trust Barometer Special Report on Trust at Work that Gen Z's belief system about work is wholly different than that of Gen X and above, and that this tension is playing out in real time. The dynamic is visible in the relationship between senior executives and the overall workforce, and it is further exacerbated by the distance between leadership and the Gen Z employee experience and perspective.

Given the need to bridge this tension, it's not a surprise to see the shift toward centralization we mentioned earlier. Communications leaders tell us they are partnering more with Chief Human Resource Officers and Chief Talent Officers to manage current workforce challenges as well as forecast future issues. This involves building new ways of working together, partnering to reimagine the employer brand, testing and learning new communication channels, and leveraging employee resource groups (ERGs) in new ways.

Still, a significant portion of the task of bridging the generational divide falls largely to communicators. Senior leaders are turning to communications teams to help them anticipate where younger workers are mobilizing so they can mitigate risk, anticipate issues and regulatory threats, and assuage investor concerns.

### EMPLOYEE-RELATED OUTCOMES OR METRICS THAT COMMS FUNCTIONS HAVE BEEN FORMALLY ACCOUNTABLE FOR OVER THE PAST YEAR:



Perhaps a harbinger of what's ahead for companies of all sizes: CCOs and comms functions at the largest companies (**\$50b+**) are significantly more likely to be responsible for *social issues* than those with lower revenue.

# 60%

Say that over the next two years, the single most important outcome or metric for their function to deliver is employee engagement

# 61%

Of employees say that, when considering a job, I expect the CEO to speak publicly about controversial issues I care about\*

# 1 in 2

Gen Z workers are willing to go public to push for change at work\*

\*2023 Trust Barometer Special Report: Trust at Work

**In this moment of heightened complexity, organizations are doubling down on purpose.**

As stakeholder pressures continue to play out, C-suites and boards continue to lean into corporate purpose as a touchstone for both strategic action and communications, and CCOs and their functions are being tasked with leading the enterprise's effort to truly be purpose led.

Communications still play a strong role in execution, as nearly all surveyed say their teams are expected to engage all stakeholders in the corporate purpose, and more than half (57%) are tasked with fostering a sense of purpose and meaning among employees. Clarity around purpose is also helping CCOs build clearer guard rails for socioeconomic topics on which the company will engage versus observe.

But communications now operate meaningfully before execution as well: one-fifth of communications leaders (21%) say they are responsible for ensuring corporate purpose anchors decision-making and strategy. The CCOs we spoke with reinforced the increased alignment between boards, CEOs, and their CCOs: those ultimately responsible for the reputation of the business must be at the heart of purpose-related decisions, both crafting approaches and executing them.



**We needed a new purpose statement and values, which we spent a lot of time constructing. When we rolled it out, it was one of the most effective things we've done. Our employees have embraced our purpose, and they say it helps them feel a part of something bigger. I'm helping the planet. I'm helping society.**

**74%**

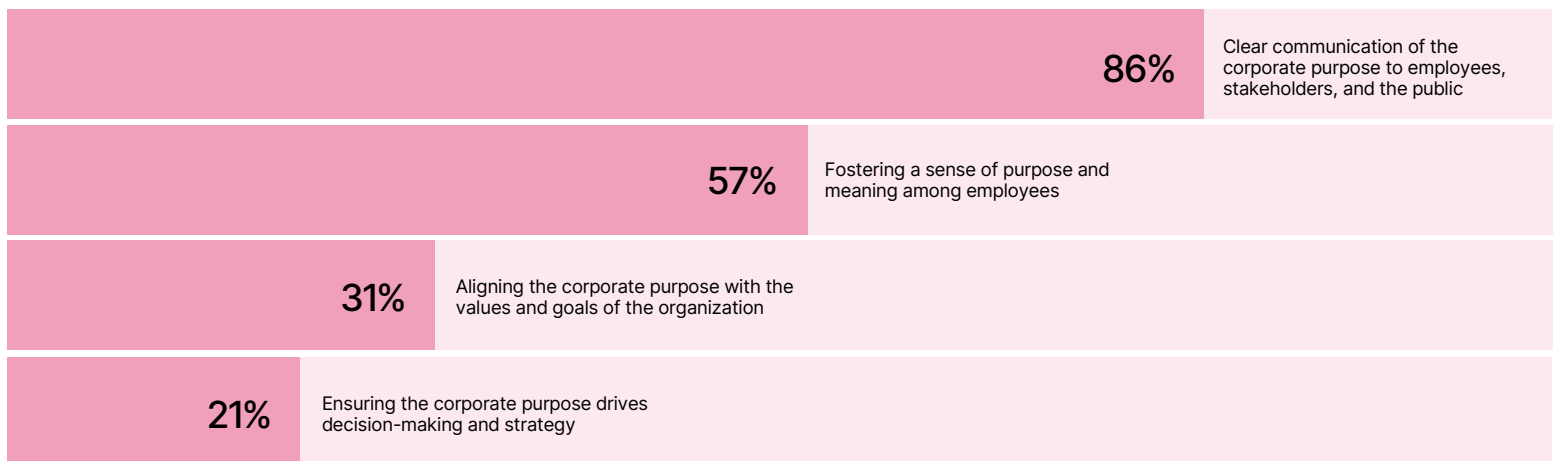
Of employees say, when considering a job, I want the opportunity to do work that will shape the future in some meaningful way.\*

\*2023 Trust Barometer  
Special Report: Trust at Work



**Our purpose is our compass. Anything we say or do needs to point back to our purpose and our values, otherwise we're not really standing for much.**

**WHICH ELEMENTS OF CORPORATE PURPOSE WOULD YOU SAY YOUR COMMUNICATIONS TEAMS ARE MOST CALLED UPON TO HELP DRIVE/SUPPORT?**



# Key Considerations

Employees have reshaped the broader stakeholder dynamic, triggering a modest shift in perspective and balance, from outside-in to inside-out. Communications teams and their leaders are now expected to play a larger role in reinforcing enterprise values, incorporating them into workplace culture, and creating systems to elevate employee voice and influence.

**1. Employees have emerged as an important and vocal stakeholder group. Do you have mechanisms in place to accurately track employee sentiment, and are you pulling employee voice through to drive action?**

Annual pulse surveys have long been the norm and remain important. But some advanced communicators are leveraging tools typically reserved for customers and investors to track employee sentiment in real time and elevate employee voice as an input to enterprise decisions. This includes satisfaction surveys following key announcements, message testing, and focus groups, along with programs and processes that demonstrate how employees are shaping the enterprise for the future.

**2. A clear corporate purpose can play a decisive role in whether to take a stand on certain societal issues. Does your purpose provide you sufficient direction and guardrails?**

Today's executives recognize that culture has a significant impact on the business, as well as on hiring and retention. By clearly defining the corporate purpose, and championing those who are leading by example and embodying the purpose and values of the organization, you are more likely to be supported by internal audiences.

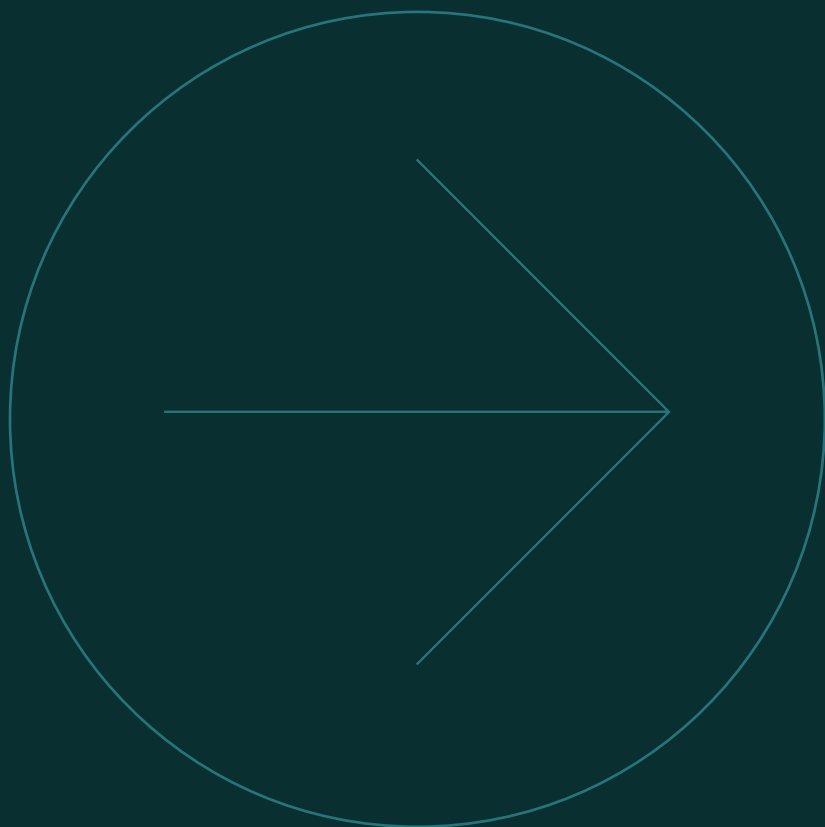
**3. To increase impact and engagement with internal audiences, CCOs are breaking free of pure legacy PR and leaning into new data skills, new functional areas, and cross-functional solutions, to better deliver across stakeholders. Is your team willing to learn, stretch, grow and innovate?**

As the impact of the communications functions continues to expand to inform and influence more internal activities, it is more important than ever to engage other leaders to understand and address the challenges and opportunities that lie ahead. This means going beyond data points and approvals and pushing to develop solutions together as a team.



**We are measured in terms of what we proactively get involved in – which is the shared view from our CEO. We don't want to get involved in things that aren't relevant to our team members and important stakeholders.**

# Tomorrow's Communications Agenda



In the coming months, communications leaders expect their roles and functions to focus even more heavily on integrating data, building cross-functional partnerships, and preparing for the external environment.

# Communications leaders will be at the center of shaping the next phase of stakeholder capitalism.

Communications leaders are already adjusting and realigning priorities to address new challenges.

Communications leaders who are looking to the future tell us they expect employee engagement and brand reputation to be a key function of their role, displacing some traditional public relations remits from the top. In years past, more tactical functions, such as media relations, were primary indicators of success.

Looking ahead, the challenge will be to bring other stakeholders along on the journey. For all the advancement the function has seen moving into a more strategic, centralized position, there's still much work to be done to ensure the value is seen and understood by the broader executive team. Communications leaders have yet to universally solve for the challenge of linking communications to business outcomes. It is up to the CCO and their teams to shape expectations and deliverables that reinforce the value of their work.



We struggle with finding balance between the embedded communicators across our business units and the centralized set of partners working with each division.

## WHICH OF THE FOLLOWING BUSINESS AND COMMUNICATIONS OUTCOMES OR METRICS...

...HAS YOUR ORGANIZATION'S COMMUNICATIONS FUNCTION BEEN **FORMALLY ACCOUNTABLE FOR DELIVERING AGAINST** FOR THE ENTERPRISE OVER THE PAST YEAR?

... ARE **MOST IMPORTANT** FOR YOUR COMMUNICATIONS FUNCTION TO DELIVER FOR THE ENTERPRISE **OVER THE NEXT TWO YEARS?** (RANKED)

Media coverage	87%	Employee engagement	1
Employee engagement	79%	Brand reputation	2
Brand reputation	69%	Media coverage	3
Thought leadership opportunities	67%	Thought leadership opportunities	4
Social media engagement	66%	Decrease in negative publicity or crises	5
Brand perception	54%	Stakeholder engagement	6
Decrease in negative publicity or crises	54%	Brand awareness	7
Employer brand	53%	Employer brand	8
Brand awareness	50%	Social media engagement	9
Stakeholder engagement	49%	Shareholder value	10
Brand positioning	49%	Brand perception	11
Employee diversity, equity, and inclusion (DEI)	33%	Policy influence	12

## The change, adoption and integration of technology in communications is happening rapidly, but not without challenges.

The communications function today is balancing investment in both the tools and the talent needed to uplevel data-driven decision-making. CCOs recognize that the implementation of new technology will not save money, but it can increase the value communications teams create.

To keep up, communications leaders must evolve or risk losing stakeholders and competitive ground. But the pace of change and the speed of risk is radically accelerated. Today, 44% of communications leaders are investing more heavily in commstech than they did last year, working to further integrate data, analytics, tools, and technology into daily operations and improve communications outcomes. AI and other disruptors in technology are cited as one of the top 5 factors shaping the communications agenda today. Yet challenges related to privacy, policies and ethics remain just as prominent as they were two years ago.

CCOs are not reluctant to adopt new technology to equip their function to meet new demands, but they do widely report difficulty in ensuring it will be adopted with consistency, certainty and success.

### 54% AGREE THAT THE VALUE OF COMSTECH IS ONLY AS POWERFUL AS THE INTERPRETATION AND APPLICATION OF THE DATA

#### → Signs of Value:

We are investing more heavily in commstech than we did last year **44%**

Commstech has enabled our organization to better connect and collaborate with remote employees and partners **41%**

Commstech has greatly improved our organization's efficiency and productivity **27%**

Our organization has experienced significant cost savings due to the implementation of commstech **10%**



AI presents interesting opportunities, particularly when we think about the use of large language models. And it certainly creates opportunities to streamline and create efficiencies.



We can look at AI and technology stacks overall and go two ways: assume they will replace our people, or, plan for them to empower our people to do more with the same resources.



I think it would be a grave mistake for anyone in our field to think that these things are not going to be a big, maybe central part of what we do for a living.

#### → Continuing Struggles:

Our organization has faced challenges in integrating different commstech platforms and systems **46%**

Our organization struggles to keep up with the constant advancements in commstech **44%**

Commstech has increased the risk of security breaches and data leaks within our organization **12%**

# 44%

say that they are investing more heavily in communications technology than they did last year

# 56%

Of CCOs say that AI is currently having an impact on their business

## US-driven polarization around ESG may be driving a nomenclature shift, but the expectation for activity around key issues remains mostly unchanged.

A growing body of outside research has reinforced that brands and enterprises tend to outperform when they are perceived as having a positive impact on the world around them. At the same time, future buyers and Gen Z employees are more values-driven in their job seeking and consumption behaviors than any generation before them.

Of the communications leaders we surveyed, a large majority (76%) say that ESG considerations are mostly or fully integrated in their communications strategy. Roughly a quarter said they sometimes integrate ESG considerations or are only just beginning to do so, and just 2% indicated they're still figuring out how to do this at all.

Anti-ESG sentiment has dissuaded few leadership teams from continuing to pursue strategic goals and drive outcomes. It has, however, sparked greater thoughtfulness around which goals, activities and outcomes to broadcast or emphasize to key stakeholders.

Whatever the stage of maturity for communications functions integrating ESG activities, leaders are hungry for better data and analytics to measure impact and effectiveness.

Looking ahead, CCOs report their inclination to lean in to cross-functional partnerships with heads of sustainability and investor relations, as well as the board of directors. They are positioning themselves to play a strategic role across the entire ESG operating model, shaping ESG strategy ahead of the annual disclosures process, from Board to implementation.

*WHICH WOULD MOST HELP YOUR COMMUNICATIONS FUNCTION BE MORE EFFECTIVE IN DRIVING BUSINESS AND IMPACT OUTCOMES RELATED TO ESG?*

1. Better data and analytics to measure impact and effectiveness
2. Increased budget for communications activities
3. Increased enterprise action related to ESG
4. Clearer internal communications and alignment with business goals and values

# 67%

Of CCOs say that they partner with their enterprise's head of sustainability to support ESG and impact strategy

# 39%

Say they are partnering with their enterprise's head of DE&I.



## Communications must partner across the enterprise to prepare for ongoing geopolitical forces of magnitude.

In today's political landscape, companies are grappling with external pressures that threaten to hurt their brands and employees. Over the past few election cycles globally, we've seen the role of advocacy organizations, businesses, and the private sector grow and contract and then achieve an uneasy, untenable stalemate. Next year (2024) is a critical year for elections worldwide: the United States, India, Mexico, and the EU Parliament all have elections, with the UK following suit in 2025.

Each of these global electoral events are primary targets for outside actors and political campaigns, and with generative AI, manufacturing disinformation has only become easier. Bad actors have already started to spread chaos and disinformation to disrupt and erode trust in the institutions that democracies rely on for credibility, authority and trust.

Should companies act or advocate for political issues weaponized over time, including LGBTQIA+ rights, climate change, and reproductive health care? This question, when coupled with a lack of awareness of geopolitical tensions and a collective insecurity of when and where is the place for a company to take a stand, means elections don't just have national and global consequences. They can also threaten a business's financial viability.

For communicators in this fraught environment, CCOs tell us that the focus today is on deepening cross-functional partnerships, bringing leaders closer together who are tasked with anticipating and responding to the unique political environments most relevant to their enterprise. To meet new expectations, CCOs are required to bring an umbrella perspective that places each specific external moment or stressor in a broader macro context of reputational and thus business impact.

Several C-level communications leaders we spoke with also wear the Government Affairs hat; some report into Government Affairs; others have Government Affairs report into them. Whatever the structure, a closer working relationship than even two years ago – along with ample data sharing, structured issues sensing, and intentional scenario planning with clear guardrails for go/no go decision-making – are now table stakes for competitive corporate communications functions.

*Geopolitical issues*  
selected by CCOs as  
one of the top forces  
or factors impacting  
the communications  
function and agenda

76%

Of CCOs say that it is likely external forces will impact their planned communications budget over the next 6-12 months



**Geopolitical issues top the list for us, even beyond political polarization. The access by massive numbers of people to sources of energy, safe living situations, other environmental considerations – all of these affect our business today and where our business is headed.**



**From an operational point of view, geopolitics will always be a focus for our business. These are conversations that have direct impacts on the way we need to think about our finances, our staffing, our supply chain.**

# Key Considerations

Today's CCO oscillates daily between advisor, confidant and practitioner, serving at the nexus of nearly all company functions. To maintain competitive advantage in the coming months and years, communications leaders and their functions will need to win the war for trust, both for the enterprise among stakeholders and for their function among C-level leaders.

**1. AI is already having an impact on business. How are you building the business case for investing in communications technology adoption & AI?**

Communications alone won't be able to lead the charge on AI. You can begin to build the business case for the use of AI tools in communications by arming yourself with a good understanding of the areas of the business where AI is being piloted and tested, the operational and business problems it is being used to solve, and the challenges that need to be addressed.

**2. ESG continues to evolve in both name and focus. In the face of polarization, is your function sufficiently connected within your organization to successfully navigate the ESG landscape? Are you overly US centric?**

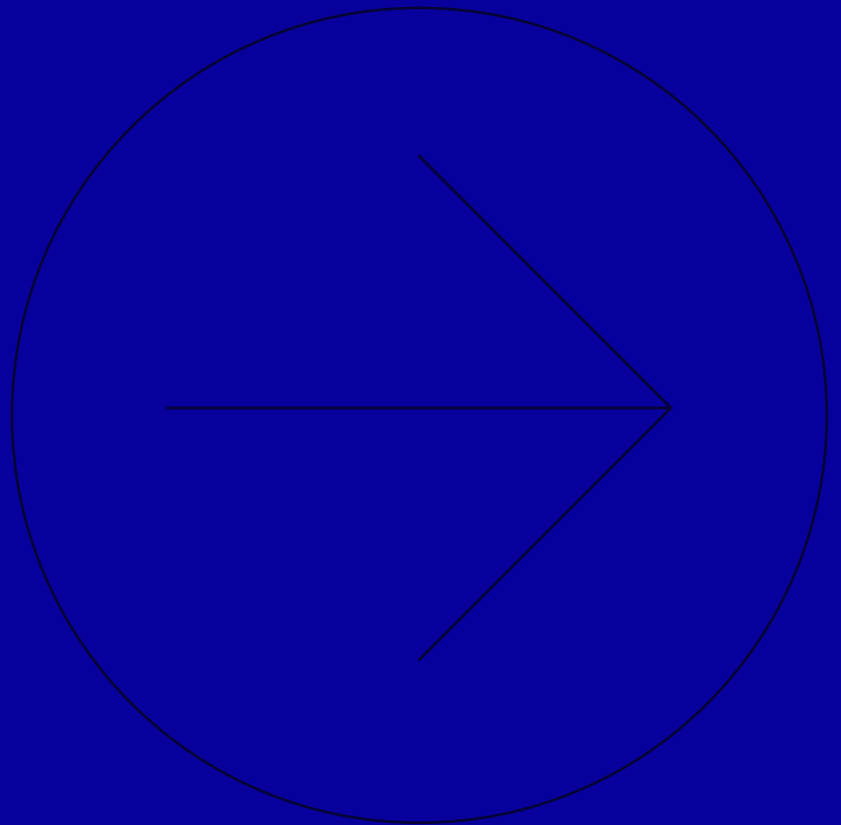
Successfully navigating the ESG landscape means acting as a strategic advisor and being an active participant in cross-functional ESG working groups. By viewing sustainability and investor relations leaders as collaborators, and applying a lens of global sensitivity, your teams can more clearly prioritize relative performance, financial and material impact and investor engagement.

**3. Geopolitical forces are expected to have significant impact on communications over the next year given a wave of critical elections around the world. What are you doing to prepare?**

For those CCOs who do not wear a double hat, partnering more closely and regularly with the government affairs team on collaborative issues-sensing along with scenario planning can help to mitigate potential impacts on the business. At the same time, with employees highly tuned to the political landscape, it will be crucial to establish operational bulwarks in partnership with HR and employee resource groups (ERGs) to ensure employees are not being swayed by disinformation.

“What I hope is that, as corporate communications professionals, we continue to be seen as a single source of truth. We're tapped for a 360-degree type of knowledge. If we can deliver on that, it will only increase our seat at the table.”

# About the Study



Our 2023 Future of Corporate Communications study is an update to the foundational 2021 study, available at [Edelman.com](https://www.edelman.com).

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# Methodology

Our research included two tracks: a quantitative survey instrument fielded to N=218 communications leaders in June 2023, and in-depth interviews in July and August with N=20+ communications leaders. All respondents were C-level heads of communications (CCO or similar title) from participating U.S.-based organizations across the Fortune 500 and Forbes Global 1000.

Our survey leveraged a combination of trend identification and functional benchmarking (e.g., scope of responsibilities, operational models, budgets, investments). Interviews focused on the strategic positioning of the corporate communications function and forward-looking insights around trends, pressures, future growth and investment.

The survey was conducted by Edelman Data & Intelligence (DXI), an independent research firm and part of the DJE family of companies, in partnership with Craig Carroll and the Observatory on Corporate Reputation (OCR). Data analysis was performed by an integrated team of Edelman corporate communications subject matter experts and Edelman leaders.

3

Months of Research

20+

Interviews and Conversations

218

C-level Survey Participants

## Governance:

- Publicly traded (57%)
- Privately held (43%)

## Global Reach

- National/Multinational (45%)
- Global (55%)

## Headquarters

- North America (89%)
- EMEA (10%)
- APAC (1%)

## Company Annual Revenue

- Under \$10B (37%)
- \$10B or more (63%)

## Communications Budget

- Under \$5M (37%)
- \$5M - \$19.9M (33%)
- \$20M or more (24%)

## Sales Focus

- B2B (38%)
- B2C (19%)
- Mix (39%)
- Other (4%)

## Sector

- Financial Services (20%)
- Technology (14%)
- Manufacturing (12%)
- Retail (7%)
- Healthcare (6%)
- CPG (6%)
- Food & Bev (5%)
- Pharma (4%)
- Professional Services (1%)
- Other (24%)

# How Edelman can help

To have a deeper discussion about your enterprise's approach to corporate communications, your team's current challenges, and your function's readiness for the future, please contact your relationship manager or a leader across Edelman's Corporate Practice.

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