Future of Corporate Affairs Report

Edelman

The Age of Corporate Diplomacy



Foreword

The hardest business decisions are no longer just business decisions. CEOs remain accountable for performance, but a growing share of that performance depends on stakeholders who want different things from the company: customers, employees, investors, governments, the communities where it operates, and others.

As a result, **corporate diplomacy** has become a defining leadership capability. We characterize it as the ability to advance business priorities while managing competing interests and preserving the relationships needed to operate. Its hardest test comes when the people a company depends on disagree about what it should do.

This edition of the Future of Corporate Affairs report draws on an in-depth survey of more than 150 senior Corporate Affairs and Communications leaders across a wide range of industries. Their responses show corporate diplomacy pulling Corporate Affairs into a more consequential role. Nearly two-thirds of respondents say their CEO is increasingly expected to act as a corporate diplomat. Nearly 8 in 10 say Corporate Affairs is involved at the earliest stages of decisions related to external issues, and almost 7 in 10 say their role as strategic adviser has expanded significantly.

That progress has been uneven. Corporate Affairs leaders spent years working to gain influence over the decisions that matter, and most now have it. But that influence has grown faster than the mandate, capabilities, and ways of working meant to support it. The next task is to build the capabilities that turn that influence into better decisions and measurable business results.

In the survey findings, we uncovered six insights. Each examines a shift already underway, where current approaches may fall short, and what Corporate Affairs will need to succeed in the future. Four requirements come up repeatedly: better intelligence, a broader skill set, more effective use of AI, and clearer ways to demonstrate business impact.

These six insights point to a future in which one of Corporate Affairs' central jobs is building the enterprise's capacity for diplomacy. When stakeholders push and pull in different directions, leaders need objective intelligence, seasoned judgement, and hard-earned relationships to act, and Corporate Affairs is best placed to provide
all three.



Jonathan Jordan
U.S. Head of Corporate Reputation

Key Insights

1	The CEO has more influence and less control.
2	The faster the world moves, the earlier Corporate Affairs has to move.
3	Technology can see more. Diplomacy requires understanding more.
4	Corporate Affairs has earned a seat at the table. Now the table is the problem.
5	Reputation used to protect the business. Now it helps determine what the business can do.
6	Corporate Affairs' greatest value may be the thing that never happens.

KEY INSIGHT 1

The CEO has more influence and less control.

Traditionally, the CEO has largely worked from the inside out: setting the strategy, running the business, then explaining the business to the world. Today, the job is evolving to be much more outside in. Government policy can change the economics of a business. Culture can alter the relevance of a product or service. Communities can affect the license to operate. But the CEO cannot command any of those constituencies. A decision made purely for business reasons can result in unintended political or cultural consequences.

This dynamic is creating new expectations. Vast majorities of our survey respondents said the CEO must increasingly act as a corporate diplomat and publicly represent the organization in ways that shape stakeholder trust. This corporate diplomacy requires CEOs to understand where various interests align, where they conflict, and, crucially, what those differences mean for how the company should act.

Corporate diplomacy matters because the groups a company depends on do not always want the same thing. A manufacturing decision can affect employees, communities, and investors differently. A technology initiative can raise questions about jobs, competitiveness, or national security. A supply chain decision can become a trade issue. In short, an operating choice can quickly become a reputational one.

64%

say their CEO is increasingly expected to act as a **corporate diplomat**

Nearly 3 in 4

say the CEO is expected to shape stakeholder trust

Definition:

The Corporate Diplomat

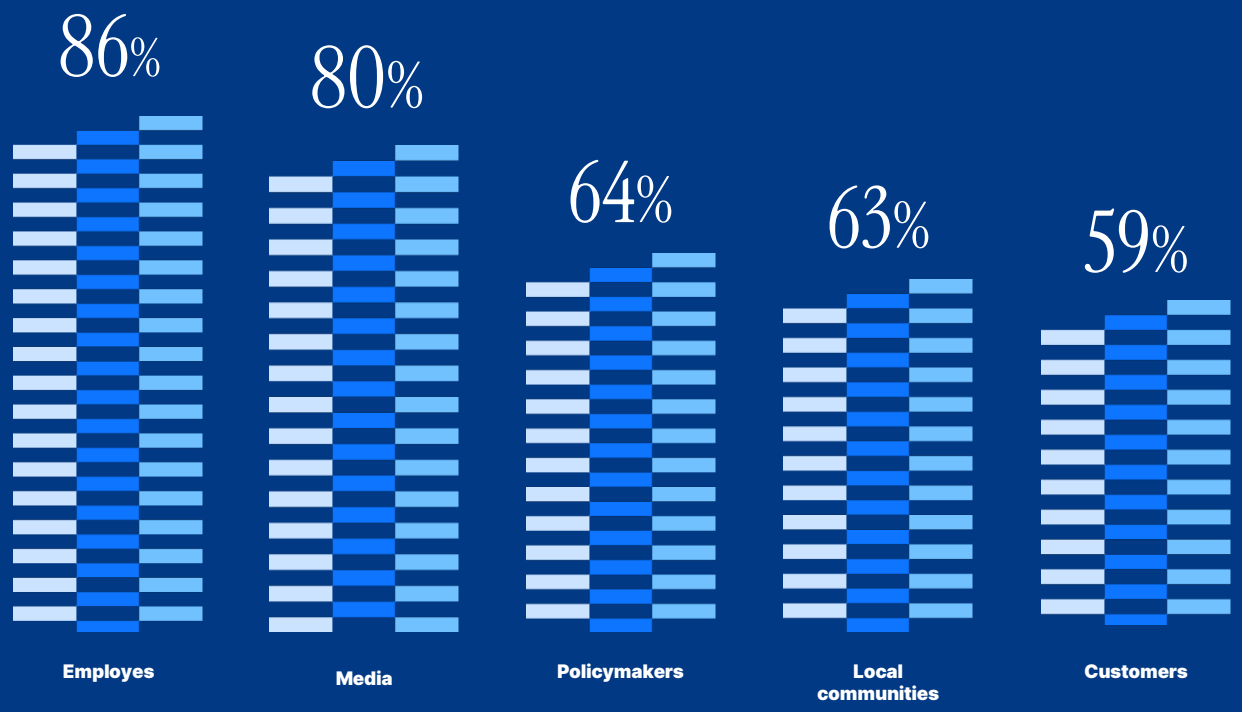
A CEO who possesses the ability to advance business priorities while navigating competing interests and preserving the relationships needed to operate

Consensus will often be impossible. Because of this, the CEO has to consider more than whether a specific decision makes business sense; they must also consider how it will affect the various relationships it needs to operate. To arrive at the best decision, CEOs must understand whose interests are affected, what matters most to the business and where compromise is possible.

The choice must also be defensible to people who may disagree with it. Communications professionals are moving closer to this work. Beyond managing the CEO's public profile, they are now helping the CEO navigate key stakeholders to arrive at the best decision for the business.

> "I'm invited into early conversations around potential acquisitions and partnerships. The CEO asks, 'What do you think? How should we go about this?' He sees me as a strategic thinking partner."
>
> Communications Leader,
> Higher Education

% of respondents reporting greater involvement helping CEOs navigate key stakeholders



Future State for Corporate Affairs:

As the CEO evolves into the corporate diplomat, Corporate Affairs will become the external counselor, bringing in the reliable intelligence, long-term relationships, and seasoned judgment needed to lead all the stakeholders the enterprise seeks to influence. Corporate Affairs will continue to enter the decision process earlier to help spot opportunities and risks well in advance.

Featured Perspectives

The era of analog, siloed models for managing risk and seizing opportunity is over. The shifting sands of geopolitics, social issues, and political theater now move at digital speed. Together, they are serving as a forcing function for corporate disciplines to operate in sync.

Today's economic anxiety is real. The 2026 Edelman Trust Barometer finds that nearly seven in 10 employees fear losing their job because of a looming recession, while only one in three people believes the next generation will be better off.

That anxiety is reshaping what consumers expect from business and how enterprise value is created, protected, and evolved. In a volatile and hyper-partisan environment, decisions about where companies invest, create jobs and market their brands carry immediate commercial, political, and reputational opportunities and consequences. So, too, do the interests corporate leaders
are perceived to serve.

AI is compressing the distance between an external signal and an enterprise outcome. Corporate Affairs must integrate communications and marketing, government affairs, the general counsel's office, and the C-suite with a shared view of the operating environment. The future is shifting from five functions reacting in sequence, to one strategy designed to anticipate pressure, shape conditions, seize opportunity, and mitigate risk.



Aaron Guiterman
U.S. Head of Government
and Public Affairs

As Corporate Affairs evolves into the C-suite's diplomatic corps, the Chief Sustainability Officer becomes one of its most important representatives. At its core, the role creates alignment between business and society, commercial priorities and stakeholder expectations, and short-term performance and long-term resilience. Amid growing polarization and continued pressure on the bottom line, impact creates the most value when integrated into business strategy.

The CSO serves as a trusted advisor where mission meets materiality. Success depends on translating the business case for impact into the language every management team and investment committee already understands; cost, revenue, risk, and return. That shared framework transforms aspiration into action and impact into a business discipline.



Ann Clark
U.S. Head of Social Impact
and Sustainability

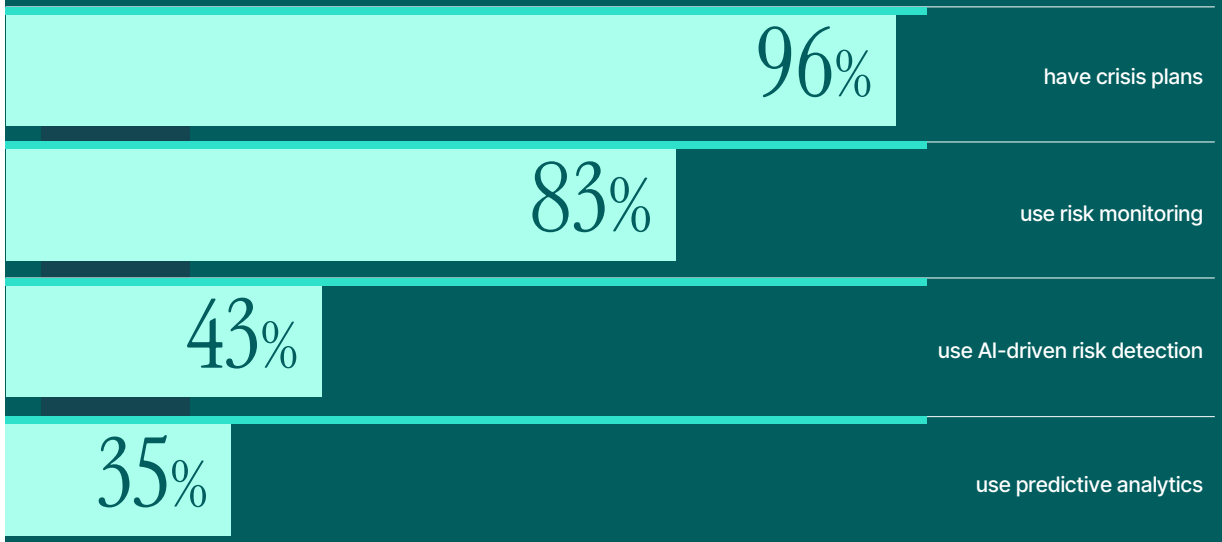
KEY INSIGHT 2

The faster the world moves, the earlier Corporate Affairs has to move.

Corporate Affairs was traditionally built for the moments things go wrong. It now operates in a state of continuous consequence, which changes the value of timing. For the corporate diplomat, timing matters because earlier intelligence creates more room to navigate competing interests before positions harden.

Most functions already have strong crisis infrastructure. The next step is to identify important developments early enough to shape what the business does next, by augmenting those established capabilities with tools that can detect patterns, connect signals, and identify emerging issues earlier.

Corporate Affairs is adding new crisis capabilities to an established toolkit

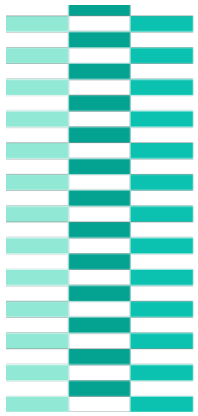


The need for earlier intelligence is also broadening. The risks Corporate Affairs must evaluate can originate in politics, culture, or social networks, often crossing quickly from one arena into another. The past decade alone has forced companies to grapple with issues of social justice movement, public health, and geopolitical turmoil.

Percent of respondents calling near-term risks "significant"

52%

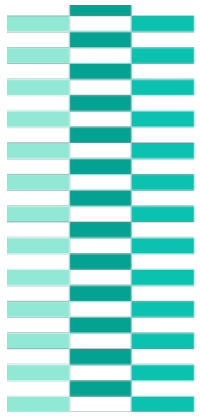
Maintaining trust as expectations change



Cultural Legitimacy

52%

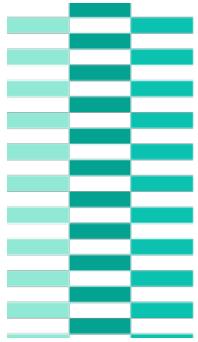
Government, regulation, trade, and national security



Political Navigation

46%

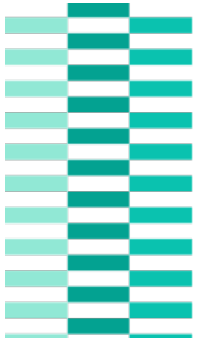
Capital markets, supply chains, and economic forces



Market Power

46%

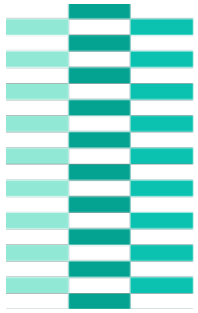
Real-time scrutiny that can escalate quickly



Viral Accountability

44%

How external audiences understand change and the company's role in it



Narrative Authority

> "In Corporate Affairs, we all need to build Doppler systems so that we're thinking not three days in advance, but three months in advance."
>
> Head of Communications,
> Financial Services Company

Preparedness is uneven across these areas. Given the speed at which controversy can unfold today, by the time a potential risk has congealed into an actual crisis, a company may find itself with a narrower set of choices. Teams that can anticipate issues before they escalate will be better positioned to respond.

Technology can widen the field of view. AI-driven detection and predictive analytics can sort through bigger datasets and reveal patterns and developments that might otherwise be missed.

The harder task is deciding which signals matter, what they could mean for the business, and when they warrant attention from leaders. That requires judgment. Judgment is central to corporate diplomacy: understanding which developments could change stakeholder behavior, shape the company's room to maneuver, or require a different course of action.

39%



lack the data and insights needed to fully understand external risks

The value of that judgment depends on when it enters the decision process. Early warning matters because it gives leadership room to test assumptions, adjust a course of action, or prepare for consequences before positions harden and options disappear.

Future State for Corporate Affairs:

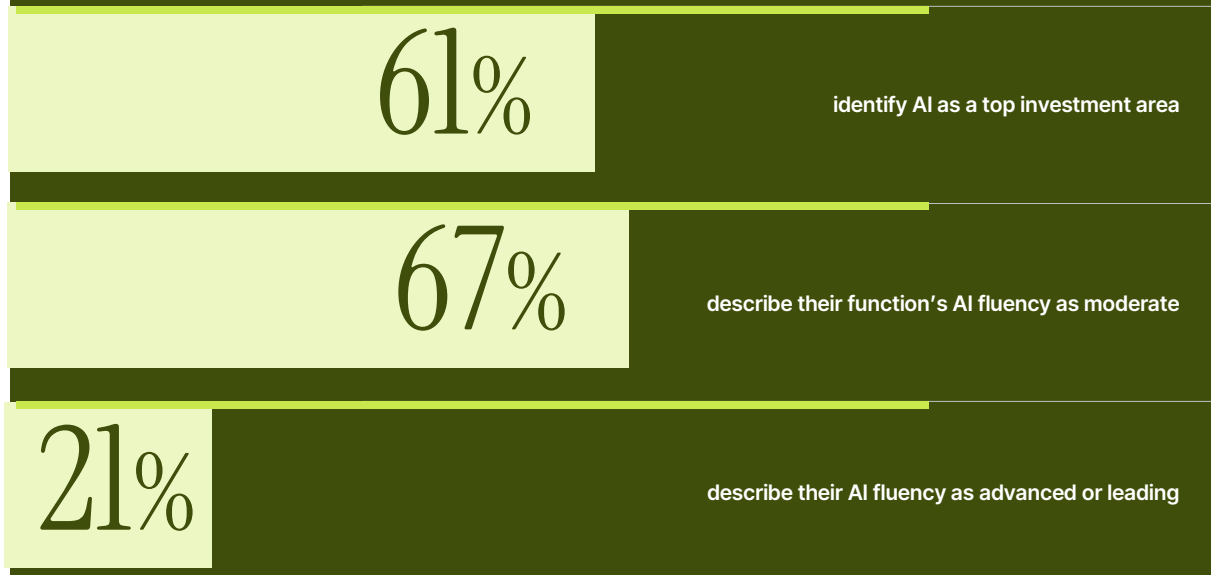
Corporate Affairs will move from monitoring the external environment, to monitoring and interpreting it early enough to give leaders the ability to exercise corporate diplomacy. The defining capability will be in sifting through the noise to identify the few important signals that could materially change the business and then bringing them forward while leadership still has meaningful choices.



KEY INSIGHT 3

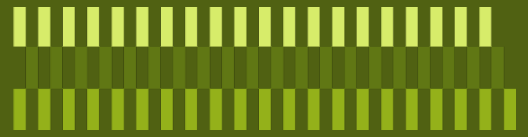
Technology can see more. Diplomacy requires understanding more.

It's not enough to simply invest in technological intelligence. This moment also calls for deeper human judgment. AI can scan more information, evaluate signals, and identify patterns faster than any team working manually. But diplomacy depends on more than expanding visibility. It requires recognizing what is being said, what is being left unsaid, and where competing priorities may still leave room for agreement. Technology can inform those judgments, but it cannot make them. That's critical for a function that is expected to understand an increasingly complex and dynamic external environment.



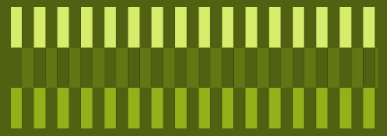
The challenge therefore shifts from collecting information to interpreting it. Corporate Affairs leaders need to understand which developments could materially affect the business, how different stakeholders are likely to respond and when an emerging signal deserves executive attention. They also need to recognize where an AI-generated conclusion may lack context, flatten important differences, or create a false sense of certainty.

Strong counsel comes from combining evidence with an understanding of the business and the external environment. It also depends on experience: knowing when to advocate for a particular stance, when to seek another perspective, and when an apparent risk may be manageable. This broader role requires capabilities beyond those traditionally associated with communications.



66%

say emerging issues often require expertise beyond traditional communications capabilities

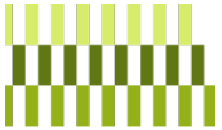


49%

say skills gaps hinder their ability to respond effectively to complex issues

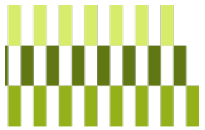
Communications expertise remains essential, but Corporate Affairs leaders also need to expand their fluency in business strategy, policy, technology, and enterprise risk. They do not need to become experts in every area, but they do need enough awareness to recognize when a decision requires deeper expertise, and enough credibility to bring that expertise into the conversation.

That has implications for how Corporate Affairs teams develop talent. Cross-functional experience, business assignments, and exposure to areas such as Government Affairs, Investor Relations, or Strategy can broaden the judgment required for senior counsel. Meanwhile, developing deep understanding of AI should be a priority, with leaders learning both how to use the tools and where human scrutiny remains essential.



24%

anticipate investment in talent refresh over the next 12 months



23%

anticipate investment in skills and training

As technology increases the quantity and speed of available intelligence, it may become harder to secure the attention of leadership. Corporate Affairs can create value by filtering skillfully: identifying the few signals that matter, adding context and judgment, and translating them into implications leaders can act on.

> “Policy, government affairs, internal communications, technology – the top person needs to be conversant in all of these things — and probably more than conversant.”
>
> Max Gleischman
> Partner, Global Head of Communications, McKinsey & Company

> “It’s those intangible aspects — the one who says the thing that everyone’s thinking but is afraid to say to the CEO, the one who brings the insight that no one is willing to bring forward.”
>
> Paige Young
> Chief Communications Officer, Intuit

Future State for Corporate Affairs:

The strongest Corporate Affairs functions will hone their diplomatic acumen by pairing technological reach with human judgment. AI will expand what the function can see and how quickly it can see it. Experienced leaders will determine what matters, what it means, and how to act. Teams will gain the edge by combining machine intelligence with the business understanding, relationships, and judgment required for diplomacy.

Featured Perspectives

Communication leaders of the future will hold shifting titles and stretch across functions we have not yet named. What will carry them is both adaptability and curiosity. And curiosity is harder than it looks. AI now offers the seductive feeling of curiosity fulfilled, an answer for every question, instantly. But deep curiosity is the opposite of satisfaction. It is the discipline of always seeking more, of asking the question behind the answer.

The leaders who matter will be curious beyond their function, drawn toward policy, technology, and the social currents reshaping their organizations, and genuinely curious about people, what they say and what they leave unsaid. Curiosity is where good questions, honest answers, and strong communication live. In a volatile decade to come, organizations and universities share one obligation: to cultivate communication professionals who never stop wondering.



Dr. Ekin Yasin
Director, Communication Leadership
Master's Program | University of Washington

Across the searches we are leading, it is clear that reputation is now a business variable, not simply a communications outcome. Corporate affairs has moved upstream, from communicating strategy to helping shape it. As CEOs navigate greater political, cultural, and reputational complexity, they expect communications leaders to understand commercial priorities, anticipate risk, and provide counsel before decisions are made.

This broadened remit is reshaping job descriptions and the definition of a strong candidate. Companies want multidisciplinary leaders who can connect corporate communications, public affairs, employee engagement, digital, and marketing. They also need the judgment and influence to earn trust across functions, challenge senior stakeholders constructively, and make sound decisions amid ambiguity.

AI fluency is becoming part of the brief, but meaningful fluency is measured through application, not familiarity. The strongest candidates are already using AI to improve the speed, quality, and intelligence of their organizations while preserving governance, context, and human judgment.

Even in a selective market, strong candidates will move for genuine influence, leadership access, and the authority to shape change. The future corporate affairs leader is a commercially minded, multidisciplinary adviser who connects reputation, stakeholder expectations, and business strategy in real time.



Jamie McLaughlin
CEO & Founder | Monday Talent

KEY INSIGHT 4

Corporate Affairs has earned a seat at the table. Now the table is the problem.

For decades, communications leaders talked about earning "a seat at the table." In many organizations, that goal has been achieved. Corporate Affairs is increasingly involved in shaping business decisions. But that access has created a new problem.

More and more, the issues arriving at the executive table cut across functions, while the organization itself still operates in swim lanes. Political, workforce, regulatory, and operational questions can involve Legal, Government Affairs, Human Resources, Investor Relations, and Corporate Affairs at the same time. No single function has the whole picture or necessarily the authority to resolve the issue.

78%

are involved at the earliest stages of decisions related to external issues

55%

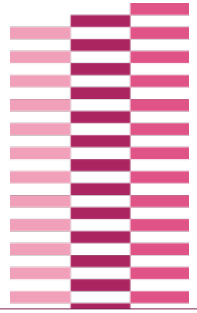
say organizational silos still limit their ability to respond

This raises the standard for Corporate Affairs. As the professional communicators in the room, the function has long provided counsel on how a business decision will land with stakeholders. Now, it also needs a point of view on the decision itself. That means understanding how different stakeholders, risks, and business priorities intersect before a course of action is set.

But being the connector can easily turn into being the catch-all. Corporate Affairs may find itself the default destination for problems that cross organizational and stakeholder boundaries. Yet its license to lead is not always clear.

The answer is not to make Corporate Affairs responsible for every issue with an external dimension. It is to clarify its mandate, distinguishing between who owns the business decision and who is responsible for bringing relevant perspectives into the room. That convening role is central to corporate diplomacy, which often depends on reconciling interests that cut across stakeholder groups and internal functions.

Corporate Affairs is well-positioned to play that role because it often sits at the intersection of leadership and external stakeholders. That vantage point gives the function a diplomatic role inside the enterprise as well as outside it: it can surface competing interests, identify where they intersect, and help executives understand the implications of different choices. But accountability for the decision itself should remain with the executive who owns the underlying business outcome.



67%

of respondents say they frequently act as a bridge between the C-suite and external stakeholders.

That distinction matters. Clearer roles do more than protect Corporate Affairs from becoming a catch-all; they also give the function the authority it needs to challenge assumptions, bring in expertise and connect perspectives that might otherwise remain separate.

The old measure of influence was proximity: whether Corporate Affairs had access to the CEO and a place in the room. Today, the more meaningful question is what the function is empowered to do once it gets there.

> “Leaders that can operate at the intersection of business and communications — that need has never been so clear. They have to think like CEOs. They have to understand the business of the business.”
>
> Julie Biber
> CEO, JBR Executive Search

> “Communications more than ever needs to live in an ecosystem within the company. The comms function on its own is kind of dead.”
>
> Sara Munday
> Global PR Director, Gensler

Future State for Corporate Affairs:

Corporate Affairs will move from having a seat at the table to helping the enterprise practice diplomacy across the table. Its value will lie in convening the right perspectives, integrating external and business considerations, and helping leadership reach better-informed decisions across swim lanes. That requires a clear mandate to connect and influence, without making Corporate Affairs the owner of every problem it helps solve.

Featured Perspectives

The new employer promise: career security. By 2030, the employee-employer contract will begin to flip. For decades, companies have invested billions in culture, compensation, recognition and experience around the central ambition of creating a place people want to stay. But as employees set firmer boundaries around work and AI makes any job feel less permanent, staying may become the wrong measure of a great employer. The relationship becomes an explicit exchange where the employee will create value, but they expect their employer to increase their value in return. Security will no longer come primarily from the job a company protects, but from the skills, network, reputation and options employees know they can take anywhere.

Retention may matter less than trajectory. That would force employers to shift investment from making life inside the company better to making employees' opportunities outside the company greater. Companies may intentionally build employees' external networks and market value, measure managers by the career velocity of their people, showcase where alumni go next, and celebrate great exits as evidence that the employee promise worked. Even loyalty gets redefined to mean that the best employer is the one you never could have gotten where you're going without. The new employer value proposition (EVP) makes a radically different promise: give us a chapter of your career, and we'll make the next chapter more valuable.



Julia Christenson
U.S. Head of Workplace Advisory

Corporate Affairs teams are confronting an issues and risk landscape unlike any before. Reputation-threatening events now unfold across fragmented digital ecosystems, where AI-generated content, misinformation, and coordinated online communities can amplify narratives before facts are verified. Organizations no longer control the pace or direction of a crisis, yet stakeholders expect immediate transparency, clear accountability, and decisive action. At the same time, corporate affairs leaders must manage interconnected and simultaneous risks, as cyber incidents, geopolitical tensions, regulatory scrutiny, and societal issues quickly converge into enterprise-wide reputation challenges. Traditional reactive crisis playbooks and responsive tactics cannot keep pace with these new realities. Risk empowers if not demands bold strategy and decisive actions. Leaders must make confident decisions amid uncertainty, balancing legal, operational, and reputational considerations while communicating consistently across diverse audiences. Success will require a new proactive operating model that combines real-time intelligence, empowered decision-making, cross-functional coordination, and leadership committed to protecting long-term reputation under sustained public scrutiny

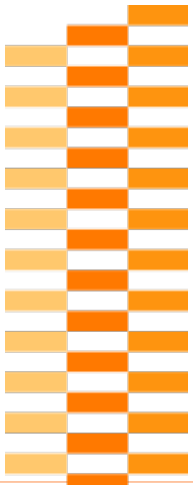


Charles Bakaly
U.S. Head of Crisis & Risk

KEY INSIGHT 5

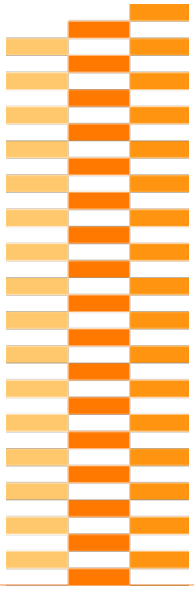
Reputation used to protect the business. Now it helps determine what the business can do.

Reputation was once treated largely as an outcome of business decisions. Leaders made the decision. Communications explained it. Corporate Affairs stepped in if the response created friction. Today, it's less linear and more cyclical. A business decision can immediately affect relationships with employees, policymakers, communities, customers, investors, and other stakeholders. Their reactions can influence whether a company can execute its strategy, enter a market, or introduce a new technology. Therefore, reputation has to enter the decision process earlier.



68%

have experienced a communications or reputational issue with an immediate business impact in the past year



80%

say managing reputational risk in fast-moving, viral environments has become a core responsibility

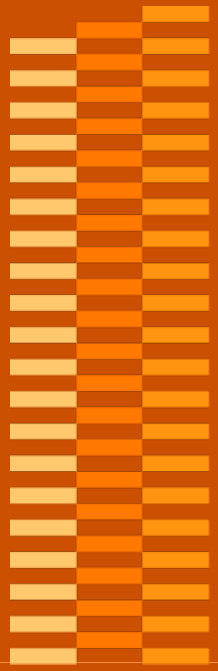
This is where reputation and corporate diplomacy converge. Reputation provides an important signal about the strength of those relationships and how much room the company may have to act. Consensus will often be impossible, but diplomacy does not mean avoiding every decision that could create disagreement. Useful questions are which consequences the company can absorb, which relationships it needs to preserve, and what decisions could create constraints that outweigh the intended benefits.

> Our CEO looks to Comms to drive product decisions in many cases."
>
> Director of Communications, Technology Company

Corporate Affairs can help leadership answer those questions before a position is fixed. Its role is to bring an external view into the business decision: how key stakeholders are likely to interpret the choice, where their interests align or conflict with the company's, and what those reactions could mean for execution. Boards are placing greater weight on that perspective as reputational issues become more closely connected to business performance.

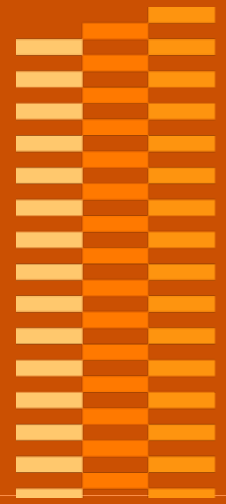
68%

of respondents who interact directly with or report to the board say expectations around reputational risk management have increased over the past year.



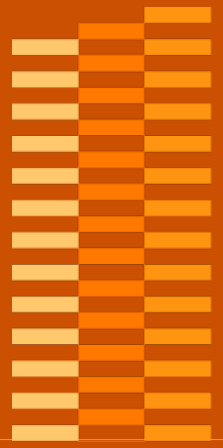
54%

say board expectations around CEO external visibility have increased



49%

Report increased expectations have experienced or societal engagement



This changes the purpose of reputation management. It is bigger than simply reducing criticism once a decision has been made. Reputation becomes one of the critical inputs leaders must consider when weighing options, alongside commercial, operational, financial, and legal considerations.

It also makes stakeholder relationships more consequential. Trust earned over time can give a company greater room to explain a difficult choice, withstand disagreement, or ask stakeholders for patience. Damaged relationships can narrow those options. In that sense, reputation helps shape the conditions under which strategy can be executed.

Corporate Affairs brings a distinctive perspective because it can see across those relationships. It helps leadership understand where a decision may strengthen the company's ability to act, and where it may negatively impact it well beyond the immediate controversy.

Future State for Corporate Affairs:

Corporate Affairs will bring reputation upstream as an input to enterprise decisions. Through corporate diplomacy, it will help leaders understand how business choices affect the relationships and trust the company depends on, allowing them to weigh reputational consequences while meaningful options are still available. Reputation will become part of how the enterprise defines its room to act.

KEY INSIGHT 6

Corporate Affairs' greatest value may be the thing that never happens.

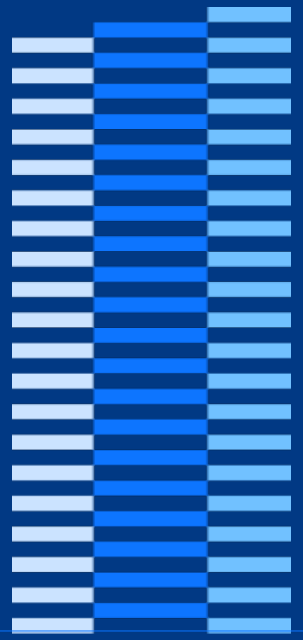
As Corporate Affairs becomes involved earlier in business decisions, the nature of its impact changes. Traditional communications measurement is designed to capture visible activity and outcomes: coverage, engagement, sentiment, reach, and other things that happened.

Corporate diplomacy often creates value in a different way. A decision is altered before it creates unnecessary friction. A stakeholder concern is addressed before it escalates. A relationship holds through disagreement. Leadership gains time to reconsider an approach. A risk is recognized early enough that it never becomes a crisis.

Those outcomes can be highly consequential and unusually difficult to measure.

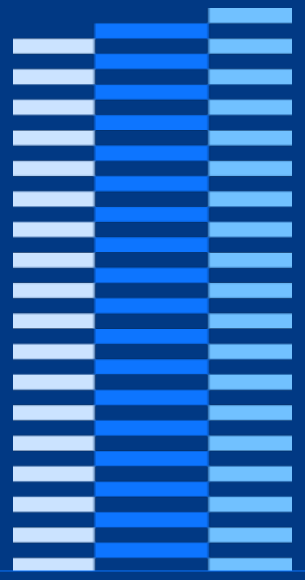
76%

say the function is more critical to business success amid the pace and complexity of issues



73%

say managing reputational risk in fast-moving, viral environments has become a core responsibility



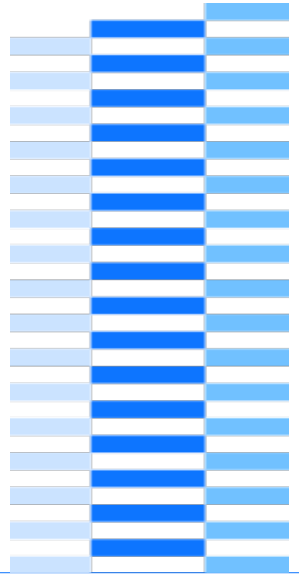
Another challenge is attribution. Enterprise decisions rarely have a single cause. Corporate Affairs may contribute external intelligence, stakeholder insight, or judgment alongside input from Legal, Government Affairs, Strategy, Operation, and other functions. Claiming sole credit would misrepresent how decisions are made, while ignoring the contribution risks understating the function's value.

Measurement needs to follow that change in mandate. A credible approach is to document influence on the decision itself. What external intelligence did Corporate Affairs bring forward? What assumption did it challenge? What changed in the proposed course of action? What stakeholder concerns were incorporated? What risk was reduced because leadership acted earlier?

These questions create a clearer line between Corporate Affairs' involvement and the business decisions it helps shape. They also raise the standard for the function. Greater influence brings greater responsibility to show that its counsel was relevant, timely, and consequential. The measure of success will depend on evidence of changed outcomes, including outcomes that leave little public evidence behind.

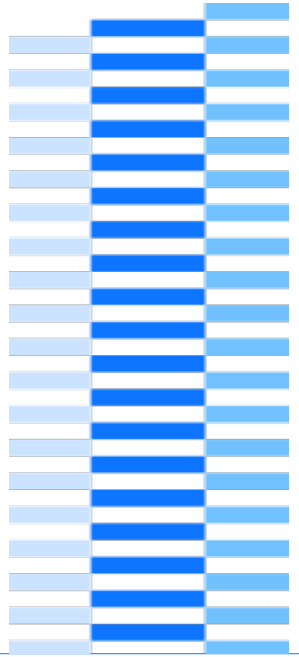
62%

lack clear ways to measure the impact of stakeholder engagement on business outcomes



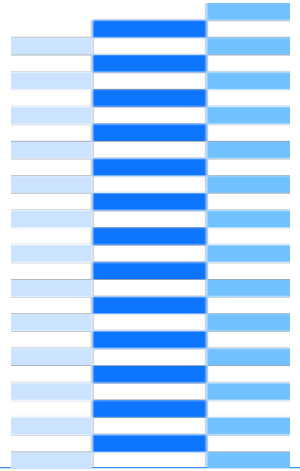
73%

of leaders say their current measurement approach does not reflect the full scope of the function.



51%

say it is difficult to directly link Corporate Affairs activity to business performance



> Our future structure will be more aligned against business outcomes than executive management... Anything that isn't creating a business output, we should stop doing."
>
> Head of Communications,
> Financial Services Company

Future State for Corporate Affairs:

Corporate Affairs will need a measurement model built for influence, not only activity. The function should be able to show where its intelligence, relationships, and judgment changed a decision, reduced exposure, preserved an important relationship, or kept valuable options open. In the age of corporate diplomacy, some of the strongest evidence of impact will be what changed because Corporate Affairs was in the room – including the problems that never became problems at all.

Featured Perspectives

Corporate Affairs has spent years trying to prove its value through metrics like coverage, reach, engagement, and sentiment: numbers that tell us what has already happened. But these numbers cannot tell a CEO what to do next, though that is often the job for today's communications leaders. That's why I think we have been trying to prove the wrong thing.

In the years ahead, the goal for AI and analytics should be to enable better decision-making. We now have the ability to read signals across media, policy, culture, employees, investors, and other stakeholders at a scale no team could manage manually. We can find patterns earlier, model how an issue may move, test assumptions, and see where pressure is building before it becomes obvious.

But "more data" is often not the right answer. In fact, many leaders do not need another stream of information. They do need to know what matters, why it matters, and whether it should change what the company does. That is where Corporate Affairs can become much more valuable.

The next generation of measurement should start with the questions, "Did our intelligence improve the decision? Did we see something others missed? Did we change an assumption? Did we create more time to act? Did we protect an important relationship or keep an option open?"

AI can dramatically expand what we can see, and analytics can tell us where to look. But judgment is what turns intelligence into advantage. That should be the ambition: proving that the business made a better decision because Corporate Affairs was there.



Brian Buchwald
President, Global Transformation

CEOs and boards need Corporate Affairs to help improve a decision before it's made.

As AI expands the volume and speed of external intelligence, information will become more abundant and judgment more valuable: knowing what is material, understanding what it means for the enterprise, and getting decision-grade intelligence to leadership while there is still time to act.

That shift changes how the function should be measured. Most measurement systems were built to evaluate communications performance. They capture visible activity and outcomes, and miss the value created upstream when intelligence spots a material change sooner, pressure-tests a strategic choice, or preserves options before circumstances narrow them.

Corporate Affairs will need new ways to show where its intelligence created, protected, or enabled enterprise value. Some of its biggest successes will be hard to see. A crisis prevented produces no recovery story. A flawed course corrected early may never become visible outside the room where the decision changed.

Much of the function's future value will sit in outcomes that never happened because the enterprise saw them early enough to choose differently.



Gregory Gittrich
Global Head of Intelligence

The Path Forward

The expectation that CEOs act as corporate diplomats puts them in the middle of the tensions this report describes.. The next three to five years will test whether Corporate Affairs can turn the access it has worked hard to gain into progress on those tensions and stronger results for the business.

CEOs have less direct control than they once did, and Corporate Affairs can help them extend their influence past what they control. The function can spot issues before they reach the CEO's desk and bring the views of people across the company to the leadership table. As AI gives leaders more information than they can use, judgment becomes the scarcest resource: knowing which signals matter and how to act on them without spending trust. Corporate Affairs will also need new ways to show its impact, much of which is hard to see.

Doing this consistently will take a clearer mandate for the function and ready access to expertise across the business. Most of all, it will take Corporate Affairs leaders who use their experience and relationships to help leaders make better decisions.

For years, Corporate Affairs measured its progress by how much access it had to the CEO. The next measure is what changes because the function was in the room: a decision that came out better, a risk caught early enough to avoid, a relationship that held through a disagreement. When the next hard decision arrives, the Corporate Affairs leaders who can point to moments like those will be the CEO's first call.



Designing your future-fit Corporate Affairs structure

A high-performing Corporate Affairs function processes information from inside and outside the organization and moves it to where decisions are made. Building one requires attention to two things: the structure that supports the flow of information, and the operating principles that keep corporate diplomacy as a priority.

A useful place to begin is an honest look at the core competencies of a high-performing Corporate Affairs team and how well the organization performs each one today, including where that work sits outside the function.

A practical way to do this is through a maturity assessment that reveals where the function's operating rigor may need to change -- and by how much -- to support business priorities.

With that picture in hand, organizations can put these competencies at the center of decisions about how the team is organized. Designing the team around them gives it firmer footing to act as a market shaper, a business driver, and a strategic adviser.

Core competencies for high-impact teams

1	**Policy and regulatory foresight** – anticipating shifts and shaping policy environments that affect competitiveness and innovation.
2	**Reputation leadership and market shaping** – stewarding and strengthening corporate reputation through authentic engagement, credible narrative development, and accessible research insights.
3	**Forward-looking risk and security intelligence** – monitoring and identifying emerging threats and mapping geopolitical and societal dynamics to guide enterprise decision-making.
4	**Multi-stakeholder trust building** – earning trust through transparent operations and responsible decision-making, backed by measurable societal contribution.
5	**Data, insight and AI fluency** – applying intelligence platforms and analytics to aggregate data into actional insights, understand sentiment, and support real-time business rationale for calculated risk.
6	**Integrated storytelling and enterprise alignment** – translating strategy into clear narratives that unite internal leaders across the bench and resonate with global external stakeholders.
7	**Adaptive leadership and cross-functional influence** – working across legal, strategy, operations, HR, R&D, and commercial teams to drive coordinated enterprise action.

Structural Considerations

Structure should reinforce operational tenets and drive the most value for the organization. No "one-size-fits-all" structure will future-proof your organization, but a few design principles yield strong results for most Corporate Affairs functions.

- **Let strategy determine structure.** The Corporate Affairs operating model should reflect the company's business priorities and evolve as those priorities change. Growth, acquisitions, and shifts in strategy can change how the function is organized and resourced.
- **Build for the function you will need.** Structure should support every capability required to advance business imperatives. A modern Corporate Affairs structure is designed for the future state and builds the talent to meet it.
- **Establish governance before defining reporting lines.** Clear decision rights, accountability, and information flows make an operating model work. Leaders should settle how decisions are made and coordinated across teams before they finalize the org chart.
- **Design for enterprise integration.** Corporate Affairs has to work across the business, especially with the functions that influence reputation and stakeholder outcomes. The design should build clear connections with those teams and fit the company's culture and leadership approach.
- **Build capabilities around the mandate.** Corporate Affairs leaders should prioritize the core competencies, like those above, that the function's responsibilities and business objectives demand.

At most global organizations, the move from decentralized regional structures toward centralized and hybrid ones is already underway. The bigger shift is underneath the org chart. Leading functions are rethinking where expertise should sit relative to the business and how to build scale without losing what individual markets know.

Structure also has to treat technology as an operational imperative, not an IT question. The opportunity is bigger than using AI to monitor issues, synthesize information, or automate existing work. Corporate Affairs leaders need to anticipate how fast-moving technology will change what the function delivers, which capabilities it needs to lead in product innovation, and how quickly it can adjust to a shifting external environment. That means redesigning workflows, roles, and decision-making around what technology makes possible, while concentrating and putting human talent where context, relationships, and judgement create advantage.

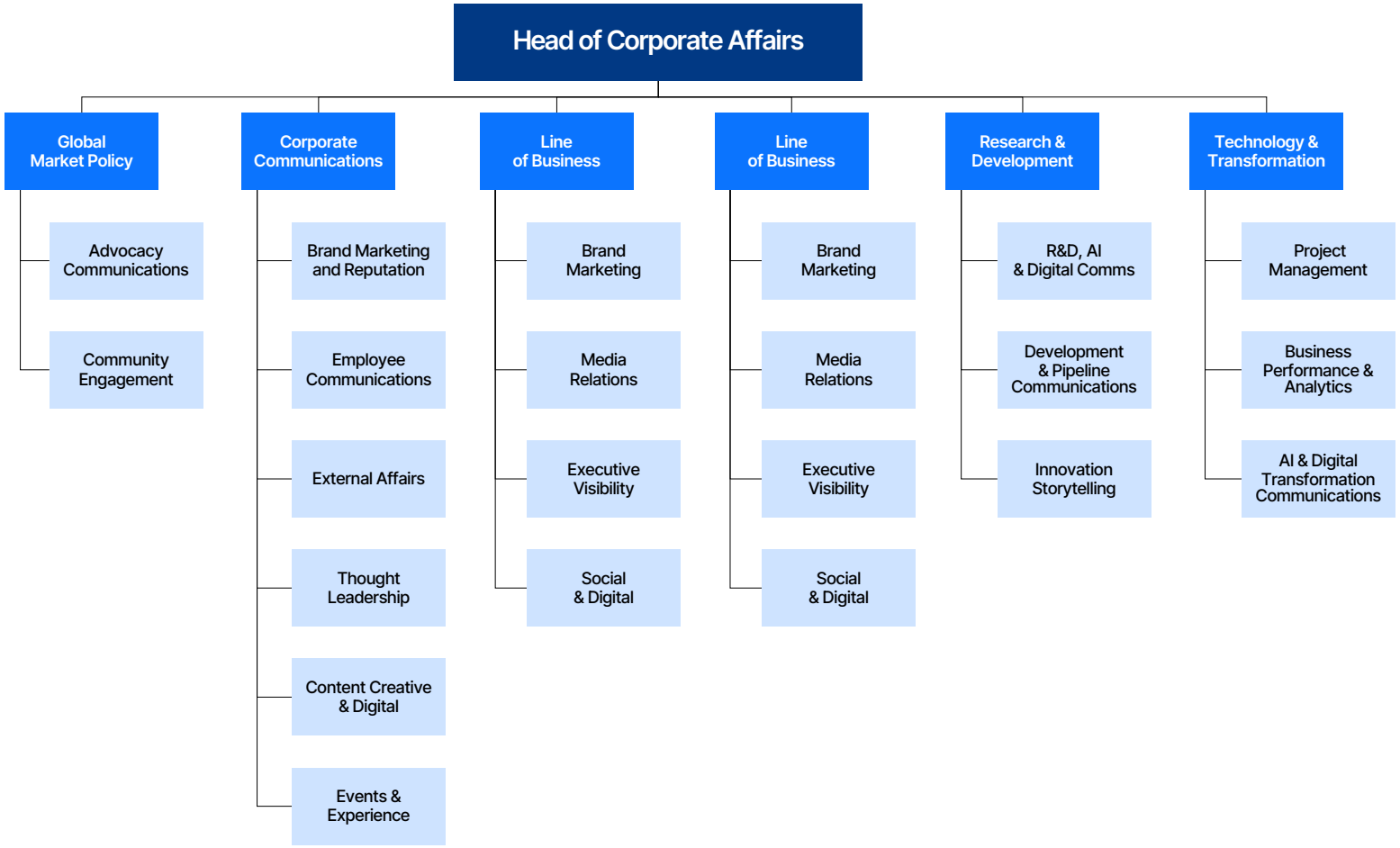
Beyond proximity to the business and technology, international organizations need global systems that create velocity instead of friction and put regional intelligence to work. A global function doesn't choose between centralized consistency and local relevance. It builds a system where intelligence from markets informs enterprise-wide decisions. Shared capabilities, common platforms, and connected workflows should cut duplication and hand off work across time zones. The payoff is better judgment and greater economies of scale.

Centralization gives the enterprise continuity and focuses expertise, new technologies, and global service centers where they matter most to the business. Corporate Affairs can consolidate around the capabilities that benefit from an enterprise-wide view (reputation, shared services, and intelligent self-services systems) while moving expertise closer to the businesses where value is created. Specialists embedded against business priorities build deeper subject-matter expertise, learn the competitive environment, and help shape the markets the company operates in.

Future models will distribute effort across these priorities on purpose. Organizations that get this right will run Corporate Affairs more efficiently, with a function better built to advance the business.

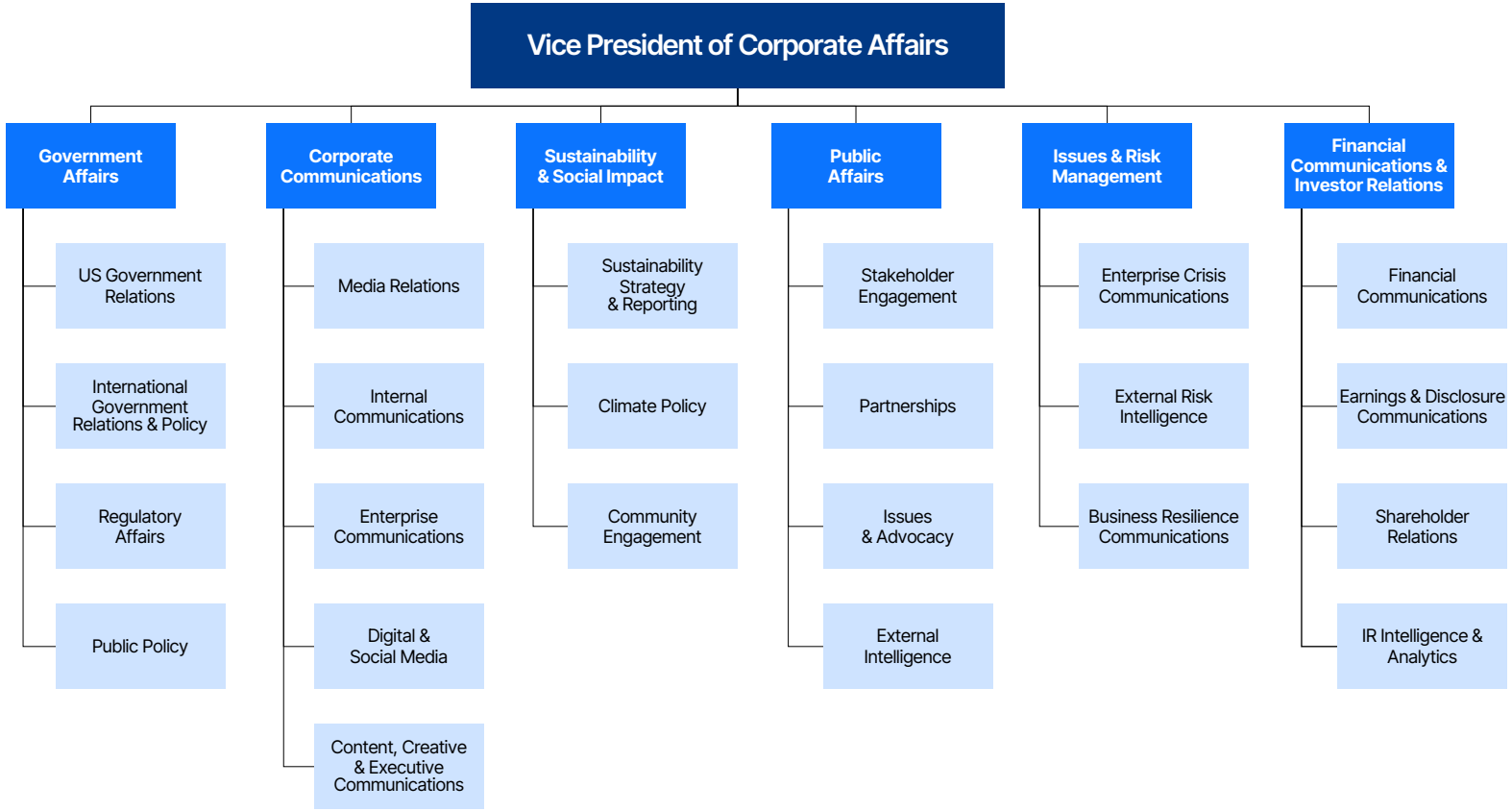
In Example Model A, a large global company has designed its Corporate Affairs function to reflect the strategic importance of R&D, emerging technologies, and pipeline innovation.

Dedicated communications teams are aligned to each line of business, enabling deeper partnership with business leaders while supporting coordination across functions, geographies, and time zones. The broader model reinforces innovation as an enterprise priority, with specialized capabilities focused on translating scientific and technological advancement into compelling narratives that demonstrate the strength and future potential of the company's pipeline.



In Example Model B, a global company has designed its Corporate Affairs function to proactively shape the external environment and strengthen public perception.

The model emphasizes advanced risk and issues intelligence, paired with strong advocacy capabilities, enabling the organization to anticipate emerging challenges, engage on priority public issues, and influence the policy and stakeholder environment.



In Example Model C, a large U.S. based company with a global distribution footprint has centralized international policy intelligence while maintaining strong connectivity to regional markets and operations.

The structure brings Corporate Affairs closer to the business through platform communications and advocacy, while strengthening above-brand policy engagement to address issues that cut across products, markets, and the broader enterprise.



Methodology

Our research included two tracks: a quantitative survey instrument fielded to N=157 communications and corporate affairs leaders in June and July 2026, and in-depth interviews with N=10 communications and corporate leaders. The sample was made up of senior leaders (C-Suite or similar title) from large, established companies across a broad mix of industries, including financial services, energy, health care, technology, industrials, and consumer sectors. Most companies were multinationals with headquarters based in North America, with even representation spanning the Fortune 1000, including many Fortune 500 and Fortune 200 companies.

Our survey covered the role and remit of communications and corporate affairs leaders, relationships with CEOs and other stakeholders, risk and readiness, organizational challenges and capabilities, measurement, investment priorities, and the role of AI. Interviews focused on the strategic positioning of the corporate communications / affairs function and current trends, pressures, future growth, and investment.

The survey was conducted by Edelman Intelligence, 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 communications and corporate affairs subject-matter experts and researchers.



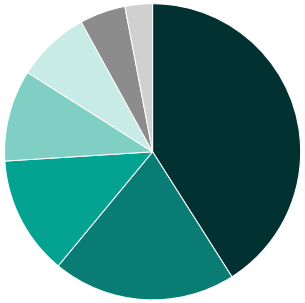
Respondent Profile

2026 Comms/Corp Affairs Budget



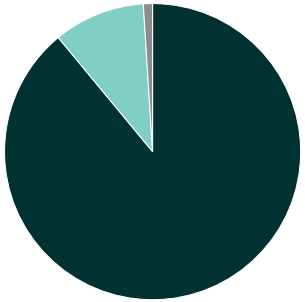
	2023	2026
Less than $1M	4%	**5%**
$1M-$4.9M	33%	**29%**
$5M-$7.4M	12%	**16%**
$7.5M-$9.9M	8%	**8%**
$10M-$19.9M	13%	**15%**
$20M or more	24%	**20%**
Don't know / Prefer not to answer	6%	**8%**

Reporting Line



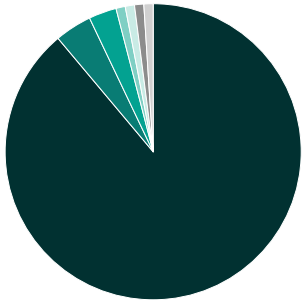
- **41%** Chief Executive Officer (CEO)
- **20%** Other C-Suite executive
- **13%** Chief Marketing Officer (CMO)
- **10%** Chief Human Resources Officer (CHRO)
- **8%** Chief Legal Officer (CLO)
- **5%** Chief Operating Officer (COO) / Chief Strategy Officer (CSO)
- **3%** Other non-C-Suite executive

Corporate HQ



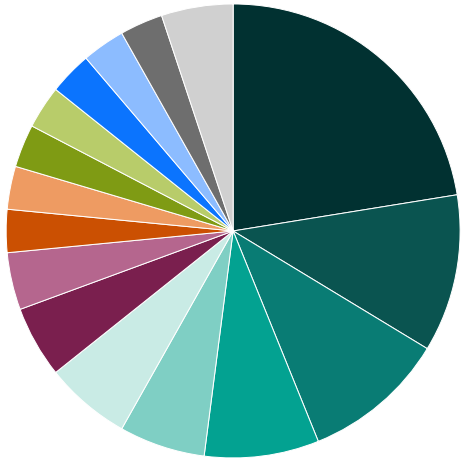
- **89%** North America
- **10%** Europe/Middle East/Africa
- **1%** Asia Pacific

Ownership Structure



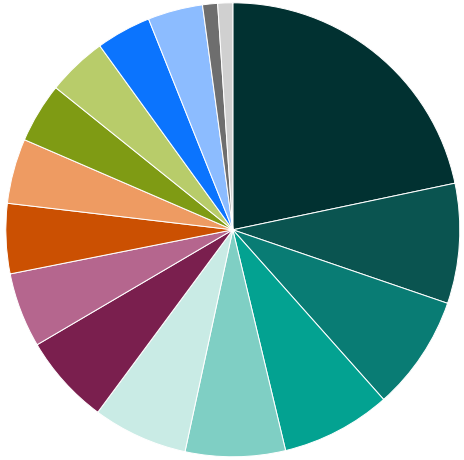
- **88%** Publicly traded
- **4%** US business of a non-US listed company
- **3%** Mutual or member-owned
- **1%** Employee-owned
- **1%** Partnership
- **1%** Subsidiary following acquisition
- **1%** Privately held

Industry



- **22%** Financials
- **11%** Energy
- **10%** Health Care
- **8%** Technology
- **6%** Business Services
- **6%** Chemicals
- **5%** Industrials
- **4%** Food, Beverages & Tobacco
- **3%** Aerospace & Defense
- **3%** Apparel
- **3%** Hotels, Restaurants & Leisure
- **3%** Household Products
- **3%** Materials
- **3%** Retailing
- **3%** Transportation
- **5%** Other

Areas Investing Next 12 Months



- **61%** AI technology
- **24%** Talent refresh
- **23%** Skills / training
- **22%** Reputation and narrative tracking
- **20%** Strategy
- **19%** Platform technologies / systems
- **18%** Redefinition of roles / responsibilities
- **15%** Capabilities and process
- **14%** Back-end data and analytics
- **13%** Structure
- **12%** Culture
- **12%** Regulatory and policy monitoring
- **11%** Stakeholder intelligence and mapping
- **11%** Creative resources
- **3%** Other (please specify)
- **3%** None of the above

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Let's shape the future of Corporate Affairs together

How Edelman Can Help

To explore how your organization can strengthen its Corporate Affairs strategy, navigate today's challenges, and build the capabilities needed for tomorrow, connect with our team.

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