Leadership, authenticity and alignment
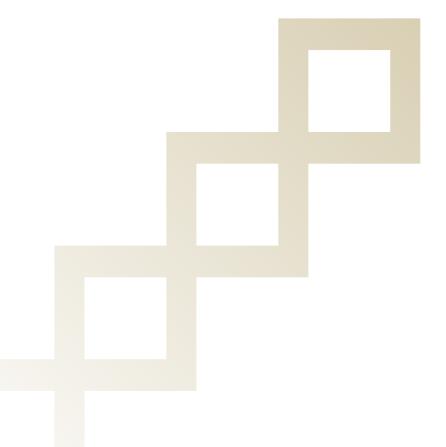
Report from the Corporate Affairs Academy 2022

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Introduction

The 2022 Corporate Affairs Academy (CAA) was a welcome return to business more or less as usual after the online restrictions of the pandemic. 22 participants joined us in the classroom at Saïd Business School for a week of stimulating presentations and discussions on a wide range of topics from the concept of the 'corporate mind' to the power of doubt in leadership, scenarios, and reputation as an asset. We also welcomed members of the 2020–2021 online cohort in person for a few days. As in so many spheres after the disruptions of the pandemic, there was a real hunger in the room to absorb new learnings and to process

how they might be applied through discussion with presenters and one another, and it was terrific to once again have the creative interaction that classroom discussion facilitates. The CAA is continually evolving to refine its focus and to accommodate the priorities of each cohort, and a number of presentations reflected the challenges the cohort faces in developing their roles in a way that adds value to their organisations, and helps identify and support those organisations' core purpose. This report aims to capture elements of all the above in a way that we hope is relevant to everyone working in this field.

The Corporate Affairs Academy

The Corporate Affairs Academy (CAA), run by the Oxford University Centre for Corporate Reputation in conjunction with Executive Education at Saïd Business School, provides a forum for CA leaders to consider ways to develop both the effectiveness of the function, their capacity to add value to organisations, and their own capabilities, with the help of the latest research, and contributions of leading practitioners from corporate affairs, the wider business community and the media. For more information see: www.sbs.oxford.edu/caa.

This year's programme participants were:

Florence Lebeau Masoch
Head of PR & Communications / ESG, VARO Energy

Ferhat Soygenis
Global Head of Communications Operations & Deployment, Nestlé

Rebecca Sinclair
Chief People and Corporate Affairs Officer, American Tire Distributors

Feras Al-Sadi
Chief Communications Officer, Abdul Latif Jameel

Karl Ken Harris
Head, Corporate Affairs Department, Century Group Nigeria

Jake Rigg
Director of Corporate Affairs, National Grid ESO

Francesca Zarri
Technologies Director, ENI

Sharon Mascall-Dare
Adjunct Associate Professor, University of South Australia – Justice and Society

Edward Dixon
Head of Responsible Investment: Real Assets, Aviva Investors

Nicholas Reader
Senior Policy Advisor, World Food Programme

Alex Yelland
General Manager, Corporate Affairs, Chevron Asia South

Tina Coates
Director Corporate Affairs and ExCo Member

Georgiana Brunner
Head of Communications, Man Group

Luis Arqueros Wood
Executive Manager, Commercial, Development, New Business & Corporate Affairs, Pacific Hydro

Barbara Knight
Head of Global Business Line Communications and Marketing, McDermott International

Sami Joost
Head of Communications, Public Affairs, Science and Sustainability Middle East, Bayer

Roel Govers
Director Communications and Public Affairs for the Netherlands and International Travel Retail, Mars

Christopher Davies
Head of International, Communications & Engagement, Army Staff, MoD

Samantha Wilding
Public Affairs Manager, Universities Superannuation Scheme

Will Hetherton
Head of Corporate Affairs, Future Fund

Asdrubal Vargas Vasquez
Government Affairs Regional Director, Cargill

Luis Nuñez
Director Legal and Corporate Affairs, Productos Alimenticios Diana

Executive summary

As has become clear over the 12 years that the CAA has been running, corporate affairs has evolved into a broad and senior function, interacting with other areas of the organisation in ways that no other function does. This means that its concerns are uniquely reflective of day-to-day performance delivery as well as the longer-term requirements of trend spotting and relationship building – how the inside of organisations is reflected to stakeholders outside, and vice versa. The concerns of every cohort of the academy evolves according to these internal and external pressures, and for every cohort the CAA reflects that ever-changing matrix. As corporate affairs leaders wrestle with these challenges, the concepts and research we explore are designed to develop their capabilities and understanding in ways that might help them realise new possibilities in the future.

To this end, after consultation with this year's cohort, we initially presented participants with four focal areas around which initial conversations could coalesce –

threads to which they would return throughout the course. These were ESG (environmental, social and governance); advocacy and activism; misinformation and disinformation (the challenge of fake news and false narratives, both deliberate and inadvertent); and the practical challenges facing corporate affairs leaders, how to execute strategy and ensure alignment with the executive team and future-proof the function. At the end of the academy four different groups would each address one of these topics, having had the chance to discuss the subject through the week and reflect on some of the concepts and research elements to which they had been introduced, every aspect of the discussion naturally feeding into the future development of the function. This report captures those presentations, but also other discussions and interactions throughout the week, with quotes from participants.

ESG

The rise of ESG concerns, and the focus of regulators and investors in this area – and the intensifying quest for objective metrics – creates rich potential for the corporate affairs function: how better to blend reputational and operational priorities at an early stage, and contribute to an organisation's strategic priorities? Where an organisation's purpose is clearly articulated and operationalised, this can be the case, but for many this is still a distant aspiration. Which of E, S and G are being prioritised (and which not at all)? What are the best mechanisms for inculcating ESG into strategy – do the corporate affairs function's horizon-scanning capabilities give it special insights? How to adjust for global and cultural variations in expectations given some overarching benchmarks such as the UN SDGs?

Advocacy and activism

Expectations around what responsibilities and obligations companies and organisations should acknowledge publically have changed hugely, not least given the pervasive post-pandemic sense of vulnerability. There is a strong sense that the old boundaries tied to firm performance and the simple impact of operations no longer apply, amid rapidly shifting norms. Advocacy and activism are loaded words from which many organisations that do not have a pro-social purpose at their core shy away, but they pose inescapable questions; not least because it is often employees who are leading the charge, interrogating how far an organisation should press for an 'activist' agenda within its own policies and respond to outside pressures. Given the current battle for talent, organisations ignore this at their peril.

Misinformation and disinformation

The power of narratives in a 24-hour news cycle, social media world is well appreciated by those working in corporate affairs. However, this is still relatively new territory and always evolving, whether through the medium of delivery, or which elements of narratives have particular salience at any given time, and the evolving attitude to different types of risk in different sectors. Once you add the proliferating mischief of misinformation, disinformation and fakery, it is a priority to test old assumptions and to consider new strategies to address new realities: how do you penetrate the echo chambers where fakery and negatively impacting assumptions have traction, and should you engage or not with the unhelpful 'noise'?

Corporate affairs leadership - alignment, resources, authenticity

The opportunities and frustrations facing the corporate affairs function are reflected in every section of this report. On the one hand reputation, and the boosting of its component mechanisms – behavioural scrutiny, narratives and networks – have rocketed up the agenda of all organisations and their leadership. On the other, the function is often among the first to feel the pinch when times are hard, as today, and to see long-nurtured strategic goals that potentially make the best case for its added-value contribution put on the budgetary bonfire. The need for robust metrics for corporate affairs to illustrate the value it adds is a pressing one, and the function will have to make the case louder than ever for resources to guard against the negative impacts of poor reputation and against damaging short-termism.

ESG

The importance of ESG in the direction of travel of any organisation is now well established. 'In financial markets, ESG has become almost the dominant conversation in the last couple of years,' as one CAA participant put it. It is increasingly the key to both purpose and trust in organisations: how those within the business understand the way things are done; and how those outside decide to judge whether the organisation cares about more than serving its own interests. The cohort identified seven key reasons to focus on ESG – four linked specifically to business objectives, and three to risk mitigation:

Business objectives

- For business advantage: the opportunity to establish consumer/customer preference and enter new markets
- As an enabler: helping bring purpose and strategy to life
- Strengthening communities: supporting environmental sustainability and building resilient economies
- For business value: successfully managing increasing investor interest and expectations

To manage regulatory, social and reputation risk

- Rising stakeholder expectations outpacing government policy: consumer activism, environmental activism, socially responsible investment (SRI), community and employee activism
- The need to manage increasing regulatory risk and reporting burden
- Litigation risk

Corporate affairs leaders see themselves as a 'key enabler' in this space, with five key tasks to fulfil this potential:

- Gather Insights from a credible and diverse set of sources (networks)
- Understand both business and external context
- Identify relevant and strategic partners for action
- Develop transparent, authentic and credible communications and engagement plans
- Commit to continuous improvement to help build trust

Excellence in this space is made more difficult to achieve by different stakeholders in different jurisdictions judging ESG by different criteria and expectations.

'I'm struggling with the term best practice, because I think depending on where you are in the world, best practice might mean something different.'

'Every business is going to have a different roadmap in terms of what you look like versus what I look like versus what somebody else looks like.'

Organisations need to be prepared to organise in a nimble way to deal with ESG requirements, given how often expectations and requirements change. Corporate affairs is well placed to catalyse these areas of continual improvement.

'I think one of the things to think about is how you equip to that continual improvement requirement? And that's intertwined with the how do you operationalise ESG effectively? Every year expectations get higher. When you look at the rankings and the ratings, it's not like you're being rated against what you did last year; you're having to run at times just to keep up or to even stand still.'

'It's also emerging issues and how you horizon scan: for example, deforestation is being started to be talked about here in the UK by ministers as the next big issue, which could potentially have a reporting framework around it as well.'

If you have access to global resources, use them – but with discrimination according to the needs of individual stakeholders.

'The data and intelligence required is largely dependent on the needs of the stakeholder. It makes sense to be in direct contact with them and have a conversation about that, if possible. Within [X] we operate on a global scale. We approach sustainability issues globally. I have the luxury that I can tap into global data.'

Be mindful that your stakeholders have a local perspective, and your focus needs to reflect them.

'The challenge is answering the question I get from my local stakeholders: "That's great, that's what you're doing on a global level, but what are you doing right here? Yeah, you will be doing great stuff in the US and in Asia, but we want to know how you reduce your footprint here."'

Narratives are important, and corporate affairs has been instrumental in unleashing their unifying and energising power within organisations, but it is vital to encourage other functions to organise around the new ESG challenges, too. The two have to go hand in hand.

'I'm getting the stories out of each of the functional areas and setting up all those capabilities. It is so much work because everybody wants to tell us the story, not accepting the accountability. It's hard work for us if they don't have a way that they can be organised about each of their goals and projects and things that they're working on and communicate them.'

Work on accessing the full value chain to make an impact on ESG in a way that ensures your organisation can bear scrutiny, and that 'wins' are not undermined by non-performing partners.

'In order to be able to execute your strategy, you have to work with your other partners in that whole full value chain. Do you get data and information from them that helps you with your ESG work?'

'Environmental' may lead in ESG, but there are important benchmarks and commitments in the S (social) and the G (governance) spaces and it's important to direct attention in that direction.

'When people think ESG, they're very much focusing on the E. And people are starting to say, "Well what about the S? And what's that going to look like in terms of the issues that we should all be focusing on?" I think people at the moment are conflating [that] ESG equals environmental.'

'I think the reason we led with environmental [is] because the rest is a harder nut to crack.'

'On the E side, it's almost become pretty much zero carbon and the other aspects are now often ignored.'

Environment

The E in ESG has garnered more than its fair share of attention in the 'global conversation', and it is the element that organisations tend to gravitate towards with more conviction, not always on good grounds.

'Dealing with the energy transition is weighing pretty heavily. We are trying to engage in discussions with local communities around our role in [it]; how do you generate trust?'

The ability to navigate uncertainty authentically is a vital talent that takes focus and resources. It is also the key to a successful strategy. Corporate affairs can be the function that informs that process.

'There's so much uncertainty and ambiguity in the whole ESG space that what might be best practice now may not be best practice two or three years from now. The whole agenda is shifting, and expectations are moving so quickly that it's difficult to pin down what's accurate, what's best practice, what are stakeholders thinking, when that's shifting the whole time as well.'

Be aware of total operations, and greenwashing – overclaiming for one benefit when there is an overarching harm that still needs to be dealt with.

'Greenwashing is very relevant to our scope of work. Most of our businesses now are trying to become very green. However, one of our largest businesses sterilise heavily [using] gas. This is why I believe we always have to be very careful when we communicate this externally and be very explicit on which areas could really be relevant.'

It's important to include materiality when dealing with environmental issues – the actual stuff of the daily impacts of your operations.

'A lot of companies focus on waste, water, peripheral environmental issues [for them]. Our environmental programme is solely focused on climate, and that's because it reduces risk. It's fundamentally material financially – and from a moral perspective.'

With impact along the length of supply chains increasingly under scrutiny, partnership is a key consideration for making a consistent and believable case for responsible environmental policy.

'We've gone back and partnered with the manufacturers because they all have strategic agendas that they're committed to. We take some of the load off them in terms of what they need to do or figure out – it's a really intricate thing. But almost everyone said, "In order for us to achieve our strategy, together, we have to work together."'

Social and governance

Societal impact and 'social sustainability' is perhaps the most challenging of the three elements of ESG to materially incorporate into business strategy, but by making considerable commitments as an integrated part of the company mission and purpose, some organisations are putting down a marker for others to pursue best practice.

'We do have a whole focus on S, the social piece, as well. Everything we're doing is about how we get to that shared humanity.'

'We participate in various socially responsible business forums that operate under Chatham House rules. And we'll go in and we'll present on topics that we have, and we'll get feedback on that.'

One participant's company has established a number of philanthropic arms that have numerous commitments to health, agriculture and other societal goals.

'Within Community [X] we have four labs, as we call them, with MIT: one for poverty alleviation, another for water and food issues, another for learning and education, another for artificial intelligence. Using artificial intelligence, we discovered a new antibiotic; another artificial intelligence tool can predict breast cancer. Recently, we partnered with Save the Children and with the University of Edinburgh and an observatory in Kenya to help them with climate change. And we're planning to partner with something at the scale of NASA to help us with the satellite photos, predicting when there could be a disaster in the country [for agricultural resilience].'

The onerous – and growing – obligations on reporting against ESG requirements can be both energy and resource sapping (with a huge disparity between different territories) and give a contradictory impression of managing the messaging but not the problem if not carefully handled and communicated.

'We're facing an increasing reporting burden here in the UK. We now have to produce a TCFD (Task Force on Climate-Related Financial Disclosures) report. It is an awful lot of work. It is useful and helpful in that producing a TCFD report meant that we had to calculate our carbon footprint and had to run scenario analysis, but there's a worry that we're spending so much time reporting, our members might be saying, "What are you actually doing to tackle your carbon footprint or any of the other issues that you're talking about in these reports?"'

The resource-intensiveness of reporting is exacerbated by publishing and publicising reports separately. Integrated reporting is a widely touted aspiration, but it can be challenging, and there are variations and useful approaches on the way to achieving that. Including a sustainability report within the annual report is a first step – but there are more sophisticated variants, that online publishing can help with.

'We've taken an audience-driven approach – five or six pages in the annual report that deals with ESG, a separate detailed sustainability report and a sustainability section on our website. All these different pieces work together. For our website, we have developed clear user journeys: the deeper you go, the more in-depth the information is and there are links to all the reports. [People often] want the high-level information, not everyone needs all the nitty-gritty.'

The discretionary nature of some policies and approaches and the emphasis on presentation is going to come under even more pressure in the future as regulators ramp up the requirements on firms.

'I think in the future there will be more of a mandatory regulatory need rather than nice reports.'

There can be an unproductive disconnect between capturing inputs more than outputs, and certainly more than impacts. They have different mechanisms of assessment, and the danger is that outputs are less well attended to than the inputs, which leaves organisations open to criticism of paying lip service to ESG, which can be difficult to answer in such cases even when they are not well founded.

'We have two buckets of data within [our organisation]: the input data which describes what we do, and the output data which describes the result, which need to be validated by external parties to be useful for your narrative or your reporting.'

'We do take very good care of the philanthropy part. But those reports should include proof points. It's not only for the purpose of, "We're doing one, two, three." No: "One, two, three, what are the tangible results?"'

In the quest to secure trust, buy-in, and even endorsement from outside entities, it is important to acknowledge the complete picture of your aspirations and achievements, even where it is not entirely comfortable to do so.

'Where you fall short, you have to share that, too. You always want to tell a good story, but it's almost like [even where we may have fallen short] we're refocusing on trying and pushing to the next level.'

Consistently seeking the perspectives of key stakeholders is a vital element in ensuing you are pursuing the most relevant priorities.

'Every two years we go to external stakeholders and employers and ask which are the things we need to work on and where we have the biggest impacts.'

'Gathering insights is part of the materiality process that should feed back into purpose.'

Advocacy and activism

The challenge of advocacy and activism has acquired particular force in recent times, and for some is still a brand-new consideration. Not all organisations – particularly commercial ones – are comfortable taking stances on issues outside the scope of their more usual KPIs. It is increasingly difficult, however, not to engage in any way with the activists who may be ranged against you, particularly as they are energised across social media. For others, standing for something has proved a boon, and even a defining principle. Some research even indicates that whether or not customers agree with you, taking a stance can strengthen your relationship with them. Which issues you choose to engage with, and how deeply, is an acutely contemporary conundrum.

'To me, it feels like there's a starting point of what's now becoming business as usual. So, making a stand about equity, diversity and inclusion, standing up for human rights, certain key environmental elements, such as your responsibility for energy-use minimisation, protection of some natural resources. Ten years ago, you didn't have to make comments on these, so it feels like there's a big change.'

'[The CEO] said he spent a morning being interviewed on three topics: inflation, climate change and Roe v Wade. If you remain silent in his view the vacuum may get filled with other people's conjectures.'

'Unpacking which are the issues relevant to us as a business, authentic to us to speak about and key to our stakeholders, that's a process, and we can play a role as corporate affairs leaders in structuring these conversations and building a framework that allows for more balance: to have more voices heard to come to a more balanced decision.'

The cohort considered that there is a case for activism when is it legitimate and appropriate:

- When the organisation is knowledgeable on the chosen issues it adds value

- There have to be actions behind the words

- You need to be courageous and transparent

- Issues chosen should be aligned to strategy/purpose

- It is important to get out of your silos and build strategic partnerships

- Don't confuse with PR and advertising

The pressure for an organisation to engage in advocacy comes from many directions, but often the primary one is from within the organisation.

'The interesting thing that I found at X over the last couple of years is that demand for us to take a societal view on things like Black Lives Matter, domestic violence or LGBTQ+ rights has been very much a groundswell from colleagues rather than investors. We listed on the UK stock exchange, but it's not coming from that side; it's coming from our people wanting to know what we're going to do to make society better.'

The power of activism from among investors is not always proportionate to the size of their involvement, and it is unwise to allocate attention purely on a strictly proportionate basis.

'Our biggest shareholder has strategies that in some way dictate to us, but at the same time, the big push comes from some minority shareholder.'

'HSBC had a major problem dealing with Brexit because their chairman and their chief executive were very much in the leave camp and, and the bank corporately believed that they should be remaining, so they got themselves into a real crisis about what to say. Saying nothing was not an option.'

If you are clear about your organisational purpose, it can act as a 'north star' in helping you choose which are the issues that you must get behind, and which are not. The terminology can be fraught, but the link to purpose is clear.

'On the Patagonia website, it's very hard to find anything that says shop or buy something. The whole thing is, basically, get behind the cause: activate for change and responsible use of the world's resources.'

'The word activism frightens lots of people: no one wants to be an activist half the time, whereas there's a responsibility to advocate.'

It is imperative to be on top of the narrative around whatever your purposeful/societal goals are. Over-promising, tempting though it is, or simply failing to manage expectations – and assuming too large a mantle of responsibility – can be both damaging to yourself and the cause, as well as being hard to correct. Consistent monitoring and adjustment are needed.

'Successful organisations have clarity and alignment about how they are using their competitive advantage, or products, or resources or people to create and contribute to and lead on positive changes that bring the global goals closer within reach – and that doesn't only have to be altruistic. But the belief that you can and should become part of the toolbox of achieving change has to be there, and the ambition has to be at a scale at least commensurate with the size and reputation of the organisation, otherwise it can backfire.'

When does advocacy become lobbying? The two often co-exist, and while distinguishing between the two is sometimes required from a regulatory point of view, because an organisation's business goals correspond with a societal benefit, it does not preclude presenting a genuinely – if partially – altruistic case. In addition, governments also seek the expertise of private companies in pursuing their own societally endorsed goals, and provided there is transparency, clarity and effective communication to every stakeholder, such partnerships can be considered a positive contribution.

'Our organisation is currently trying to help the Swiss government in promoting more green hydrogen, which is great for the energy transition, and benefits society. It is also something that we as a company want to make business with. It is advocating, it's helping bring some intelligence at the table, but there are certain interests also behind this.'

'Governments are very open to partners that can help put meat on the bones of their big societal commitments. They don't care so much if they're public sector or private sector partners, they need creative, well-resourced counterparts that can translate these very big goals that they're completely embedded in, themselves and their reputations, and put the technical know-how and financial resources behind making them happen. I don't know if that's advocacy or lobbying, or if it's more of a co-creation?'

Being part of a bigger whole, and positioning the organisation strongly in a wider effort is a powerful driver to successful co-creation and partnership with governmental and non-governmental organisations. Raising the ambition in that way is a challenge but it pays off both in increasing the return on effort, and also spreading negative impacts.

'Every organisation can do something, but to go to a level of scale that our stakeholders expect, we need to bridge into a much bigger ecosystem of activity, public and private sector, across different geographies and crossing boundaries in a very ambitious way. What we talk about a lot is bringing strategies together. By aligning strategies with others in the same space the work that's delivered underneath those strategies is then already connected and mutually reinforcing and that gives us more scope for showing bigger impact and also having more credibility, because our narrative is shared and amplified by a much wider ecosystem.'

The politics of advocacy and lobbying vary greatly between geographies, and the level of development within them, and the skillset to navigate the differences is important to incorporate and develop within the corporate affairs function.

'I am thinking of my experience of Africa, [compared to] our experience in Switzerland. Advocacy is not the same. From one side you speak about policies [driving] advocacy. On the other, we are saying that true advocacy co-creation is the preferred way.'

Every initiative, even ones with an element of activism in them, can lay you open to counter-activism and accusation.

'As a company, we advocate relations and collaborate with universities, with our research and the development of technology. We are doing a lot of very interesting things. An NGO uses these to make a case against us in terms of "buying" brains and the science, which is not true.'

The war in Ukraine is a good current example of the issues and pitfalls that open up in a contentious space even when you do act, and the need to prepare to address issues that are energised by the new focus, particularly when wider understanding might take the heat out of them.

'People wanted to know if they were ultimately buying products that were refined with Russian crude. It was really interesting to see the self-sanctioning of consumers and corporations before any government imposed any sanctions.'

'Most questions that came towards us was regarding this particular [joint venture] refinery where people needed to understand that it's an installation that we independently use.'

There will be conflicts at times between acting globally and locally: these must be addressed and resolved, rather than put aside because of the difficulty.

'Whether you act globally and locally also has an impact because locally maybe you'd want to act, but globally it requires a different approach.'

The bar on sustainability has moved hugely, and unsubstantiated claims that were previously made sometimes quite routinely are no longer supportable and introduce greenwashing accusations and greater reputation risk, not less.

'A couple of years ago, anything that an asset manager did to stick a label on to say, "It's sustainable," the press would say, "Oh fantastic well done." Within two years, we've got to the point where everything is scrutinised, [and] any projects that you might build out that you might deliver, whether it's forestry or an office building or anything else will just be torn to shreds in terms of your reasoning for doing it. There's nowhere to hide anymore.'

Dealing with B2C messaging tends to be more challenging than B2B. Part of that has to do with the reliability of the 'knowledge base', and part of it with the more volatile and multifarious audience. It is the role of corporate affairs to educate leaders as to the different approaches required.

'With B2B, most of the time the people you are leading have access to credible information and they can always double-check everything. With B2C, and the fluidity of information, the leadership needs to realise these are the stakeholders at this point in time and read the dynamic enough to change the communication depending on the audience.'

Misinformation and disinformation

The proliferation of inaccurate information, and understanding where it is random and where it is directed, and how to respond to it, has always been part of the corporate affairs armoury. However, with the proliferation of social media, internet trolls, anonymisation and deep fakery, organised campaigns of disinformation from both self-interested and pro-social actors and activists, and large-scale state involvement in campaigns of this kind, there is a need for new understanding and new tools to combat such negative trends.

The cohort focused on the following relevant trends:

- Lack of trust in traditional media
- Speed and spread of social media
- Quality of deep fakes
- Prevalence of state actors in the process
- Growth of networks that are 'loose but tight', and can be activated quickly

The negative impacts arising:

- The effect on community cohesion
- Distortion of government policies and processes
- Weakening of the environment for productive business
- Impact on profitability

'We have started to do research where we see fake accounts cluster, and we are able to connect them to state actors. It can have a real impact on assets and operations.'

Different types of dis/misinformation present various degrees of difficulty and resource to counter, and impact to be concerned about. Our cohort identified four different types that could have varying levels of impact, depending on what kind of organisation you are engaged with:

- Inconsistent
- Speculative
- False
- Misinterpreted

'With NGOs, for example, there is often type two [speculative] or four [misinterpreted]; it is very tough to deal with because a certain kind of credibility with the public is being formed by these organisations.'

The next stage is considering the channels, formats, and sources where the information is being published and understanding how they relate to the relevant sets of target audiences, and assess counter-measures.

'We need to acknowledge that we are not working in a rules-based order. Simply to counter misinformation or disinformation with truth is not going to get us anywhere because our adversaries don't play by the rules. Truth is irrelevant, rationality is irrelevant.'

'[Public] source credibility is about force, not scientific authority.'

'Can we work with complementary sources: either credible sources, or incredible sources who have a huge amount of influence and emotional resonance with the particular audience you have in mind? Nothing showed this more than the vaccine roll-out.'

Mis/disinformation can be as powerful and damaging as cybercrime. An example cited was the campaign against 5G on the grounds it caused COVID-19, and resultant attacks on workers erecting and repairing masts. At the same time, it is the responsibility of corporate affairs leaders to help the organisation keep a sense of perspective, and not overreact to every bit of inaccurate information in the public sphere.

'Many of us will have the experience of colleagues exclaiming, "This is fake news!" and practically running off to the City [to issue a statement], and you have to say, "You might not like it, it may not be 100% accurate, but it's not libellous, don't call it what it isn't. It can have much bigger impact in the long run."'

'You've got to play a long game on some of this stuff, and that then takes you towards making sure that you can also provide the organisation with a bit of steel in its back and say, "Look, this is going to be around for a period of time. And it is not a simple fix."'

Sometimes the effect of fake news is stunning and instant, but more often it is a drip-effect negativity that paints your organisation in a particular light, using whatever negative indicators are in the public record to reinforce a false narrative.

'[It's less] fake news, more our competitors constantly positioning [us] with salacious rumours, 10% of which were true, possibly, but 90% weren't. Or making us look very unattractive for new projects, [with] leaks to the newspaper or the trade papers about our cash flow problems and things like that.'

The national and international conversations, the tone of global leaders and debates on the internet, inform the way in which people treat information that might concern your organisation, in ways that are generically unhelpful.

'The Trump presidency really accelerated this entire way of stripping out humanity, and positioning... It feels like it's not just misinformation, but it's a tone of negativity constantly. It's a tone of hatred.'

It is in the interests of activist organisations to keep organisations' backs against the wall – it may be said to be part of their mission – so it is no surprise that objective, fact-based declarations are seldom enough to counter them.

'The topics around [X] litigation, for example, is of deep concern for many customers out there. We face a lot of activism, which is then also amplified by misleading information. We always try to engage in a factual and scientific-based dialogue with whoever we are talking to, but we find that very difficult, to be frank. And also depending basically on the individual region in which we are operating, we might see more openness or less openness to dialogue. In our home market, [commentators] usually understand that we are engaging with a lot of NGOs which have also clear business models to drive certain opinions forward.'

Corporate affairs needs to be alive to the power and proliferation of closed networks, and the echo chambers that they help to sustain.

'When you look into how the COVID-19 pandemic has been discussed, when a couple of groups come together in a closed network and suddenly they believe their opinion, that puts a challenge whenever you want to engage in a science- and fact-based discourse. One of the key challenges is how to utilise those channels you have available.'

'Here in Australia, we found that there were people who had a view around the efficacy or the danger of vaccines tied up with questions of liberty and freedom of choice and broader issues of all sorts of things.'

'The question becomes, do you engage and try and battle that misinformation within that echo chamber? I think that's really hard because you're not part of that echo chamber. Whatever you say is going to necessarily be [distrusted].'

There are a number of strategic choices to evaluate: trying to defuse the issue by addressing it head on; creating a different echo chamber to draw people away from the unhelpful one; try to reframe the issue so that the same reactions are not initiated constantly; or even ignore the issue, on the basis that the rotation of issues will diminish the impact of the one currently in play.

'Is it feasible to ignore the echo chamber? You've got shareholders, you've got media, and whether you're able to, how far can you go to ignore and simply put them to one side and say, "That's irrelevant. This is what we're about?"'

'I think it all comes down at the end of the day to building credibility, [particularly] the need for engaging with the network you engage with – finding the right spokespeople.'

There is asymmetry in the work of publically accountable companies and the work of those who seek to undermine them, who have far more freedom to frame the narrative on their own terms. There are tools to counter this, which go to building credibility and genuine engagement, but it involves properly engaging regarding strategic choices, and it takes a certain amount of courage to let others into your wheelhouse, whether to observe or to be a taskmaster. It is important to have those relationships in place – such as researchers and third-party endorsers – for when issues arise, because they take a long time to build.

'The people with an agenda have the opportunity to leave out parts of the story for the benefit of their narrative, in a way that perhaps that we don't.'

'As a publicly listed company, we need to provide accurate information, but of course we are driven by the proposition we have to offer to the stakeholders and communities we engage with. And I think it's very important from a strategic perspective to take a step back and listen to what's happening out there, and not only consider but proactively incorporate certain points of view and bring them in.'

'We invited external research institutes to take part in a monitoring and auditing council to measure us against our sustainability efforts, how we conduct our business, how we engage with society. We want to make sure to include a "third eye", because very often you are in your "tunnel."'

'I think it's vital for every organisation to bring in different perspectives, not only through acquiring and bringing in new talents, but also having somebody who's going to slap your wrist, if the way you are conducting your operations and business is not the way it's supposed to be.'

The ground on which you are fighting your battles needs to be clearly demarcated before you engage, and one useful distinction is between 'capability' and 'character' reputations, and issues that impact on those to greater or lesser degrees.

'You need to find a balance, when engaging with misinformation, how you proactively engage on those topics whenever you face public discourse, be it in a political sphere, misleading conceptions as to where are your low hanging fruits, narratives and engagement programmes.'

The internal audience is just as susceptible to misinformation and the impact can be catastrophic. Positioning corporate affairs internally effectively is vital to build resilience, especially when your organisation is going through turbulence.

'We've lost our way with our employees. We've had to fire so many, so we have a lot of work to do with employee engagement and fake news always circulating around employees, scaring them. We have a massive problem with talent retainment. We have people flying out the door to go to all of our competitors, because our competitors are spreading fake news about the status of our financial situation.'

'A lot of the employees posted stuff on social media, reaching out to competitors, which was making our life even more difficult. What I developed back then was a change in communication engagement programme. One of the main ideas was to really put our employees in the centre and provide them a platform on many different channels, internal and external, to share how they have benefited from change, but from a very personal perspective. And we've been developing, these blogs for employees, which we then put on LinkedIn and on Facebook. This resulted in dozens of different colleagues sharing their experiences, both on entry level, middle management and senior management level, how they were able to utilise change as an opportunity.'

With the volume of malevolent cyberactivity, disinformation as much as direct attacks, corporate affairs has a pressing dilemma on disclosure: how far to go to 'call it out', reveal what you know, how you are affected, in order to prompt a public debate and wider action?

'We have had a big discussion about this. There are some nascent campaigns, we will be making a decision in the coming months [to say] "in your community, in your social networks, there are people doing this activity". At what point do you make the problem worse for you for the good of society?'

Corporate affairs leadership

Given that the corporate affairs function is responsible more than any other for monitoring, maintaining and improving the reputation of organisations, at a time when reputation has risen to the top of the list of board priorities, the function's potential in terms of profile and contribution is greater than ever. By understanding how it can best contribute to strategic priorities, and making its case appropriately, it should have a growing strategic influence, and key to that is an alignment with the aspirations, expectations and behaviours of leaders of other functions within the organisation.

'Really excellent corporate affairs should work as in integrated, collaborative function, working alongside every other main function to make them the best they can be. Do you have the skills, do you speak the right technical language, and what data do you need?'

For this to happen, there are three key components that need to be considered:

1. Alignment (with executive leadership)

Challenges:

- Improved understanding of the roles, responsibilities and 'identity' of the corporate affairs function, beyond lobbyist, risk manager or reactive problem solver
- As an innately political function, personal agendas can dominate, impacting negatively
- Resourcing: immediate operational priorities tend to consume the resources required for longer-term planning and programmes

Initiatives:

- Thought leadership and education. The function needs to apply best practice to its own reputation using targeted, engaging and relevant communications campaigns, supported by executive education, to articulate its purpose and need for alignment
- Demonstrate value. While the value of the function can be intangible (how do you quantify the avoidance of reputational crises?), alignment and long-term viability of the function are more likely if they have a 'dollar value', supported by verifiable data
- Joint venturing. Work with other business and support functions around common objectives and shared measures of success
- A long-term view of risk. With the proper context, risk assessment and impact assessment, corporate affairs can better promote a proactive and strategic – rather than reactive and tactical approach – within organisations

2. Authenticity

Underpinned by:

Consistency – in terms of its external expression and internal values and beliefs

- Conforming to the social category to which it has been assigned or claims for itself
- Connecting to a particular person, place or time

A key to the effectiveness of the above is consistency between the declared priorities of the organisation, for example stated corporate purpose, and the behaviour/direction of the executive leadership.

Initiatives:

Whatever campaign, statement or piece of content you are about to release, ask:

- Is this consistent with our mission, vision and values?
- Does this reflect who we really are as an organisation and a brand?
- Does this accurately portray our strengths and/or weaknesses?
- Is it important to communicate this message, even if others criticise us for saying it?
- Does this hide or disguise our limitations and shortcomings?
- Does this portray our organisation as something other than what it really is?

3. Resourcing

Key issues:

- Corporate Affairs tends to be reactively resourced as an organisation grows rather than looking ahead and scaling ahead of, or in line with, future requirements

- It can be challenging to prove the need for increased headcount in the function, even once business has grown and activity requirements are clearer. A lot of work is hidden from view/not all of the benefits are immediately tangible

Consequences:

- Reduced ability to be strategic

- Reputational risk of function operating with overstretched teams, and the potential cost of that poor reputation

- Share price impact, reduced sales or profit

- Low employee engagement, impacting talent retention and attraction, or the function feeling undervalued leading to further talent retention issues

Initiatives:

- A voice at executive level in order to ensure resourcing is considered alongside strategic growth priorities

- Develop a wide spectrum of reporting metrics and provide regular risk assessment overviews

- Highlight the tangible reputational as well as financial costs of a poorly executed corporate affairs function

- Conduct indirect and direct stakeholder reputation analysis

- Measure the contribution of the function, through cost- or risk-avoidance

There is still a lag between the new aspiration among leaders of organisations to focus on their reputation, and their understanding of how that process might happen in the complex, multi-dimensional modern context.

'There's a lack of awareness, and of education and consideration, unless [leaders have] been intimately involved in the world of communications beforehand. As [leaders] see the benefits, all of a sudden they're interested, which then puts a demand signal and an expectation, [but] I don't think they consider the audiences and what they're trying to communicate, what sort of effects they're trying to achieve. They go from being novice to expert in their own minds.'

One of the regular problems that occurs when leaders do realise the benefits that an enhanced corporate affairs effort might bring, is that it triggers an instant and unsustainable demand on small existing teams that cannot service the need. That has to be factored into the strategy from the first.

'Where we have seen it go well, is where people, when they come up with their strategies across all the different elements, we have different directors [who] consider communications and engagement as part of that and build it in from the beginning. That's really powerful, but quite a few still do it as a bit of an afterthought.'

The right people to progress the corporate affairs 'mission' need to strike a balance between understanding the data and the priorities of the business: the key connection is often through the mission and purpose of the business. Making that connection at the outset can pay dividends.

'I've come across some communicators who are too niche and too academic in their approach and don't have the credibility with what's predominantly a practitioner/ academic audience. So, getting the balance between experience and skills and knowledge is really key.'

'We use something called the "military appreciation process", which is a decision-making planning tool to evaluate risk and work out your options. Very often what falls out of that is that reputation is absolutely central to what we are going to do, and therefore we need to guard, protect and enhance our reputation. That ends up being an extra linked with our mission. From the work I've done in defence industries in particular, there

is a significant disconnect between the mission [and] the behaviours they adopt [which] is very much about personal ambition and not about a greater good, and certainly not about the reputation of the institution.'

For corporate affairs to make the best possible contribution, it is important to partner with other departments, both to share their resources and data, but also to tailor the corporate affairs contribution directly to the aims of the organisation.

'We are working very closely alongside different parts of the organisation. People within them will understand that you were really beneficial in delivering whatever it was, whether on a crisis situation, working with legal, or trying to help marketing in addition to their advertising.'

Corporate affairs has the difficult challenge of linking and aligning aspirations of leaders within organisations and the wider priorities of those organisations. Sometimes it is stymied by self-interest, and sometimes inconsistency in the way priorities are passed down – and reinforced along – the chain of responsibility. The former instance is very tough to counter. For the latter, corporate affairs can effectively 'join the dots' to support alignment.

'There is often conflict between what serves [leaders] individually and what serves the organisation, and leadership not being entirely clear with everyone about what their priorities are. That's where conflict can end up further down the organisation in my experience, where perhaps people aren't so aligned. We can help make and build people's profiles and it can be very good for their career, therefore there's a bit of a self-interest there rather than the business interest at times.'

Physical assets for which an organisation has responsibility/in which it invests are a lightning rod to reputation, and make a disproportionate and lasting impact on stakeholders and reputation. Corporate affairs needs to connect the decisionmakers to risk awareness and mitigation of the impact of such reputational drivers.

'We're invested in things that people can see. Whenever something is constructed or goes through planning, you always run a risk with reputation. What needs to happen is much greater connectivity between the corporate centre and its ideals and its philosophies and the people that are

actually out there on the ground representing the brand, so that we can act in good faith to support the reputation of the organisation rather than damage it. It's critically important because when we don't get it right, you can be stuck with projects and initiatives and buildings or infrastructure that cause huge reputational problems.'

'A year or two back there was a call to drastically reduce budgets across the board. There was zero appreciation for the long-term nature of reputation and how that goes hand in hand with trust and relationships you have been trying to build in markets for many years, and that is part of the problem.'

The need for good objective metrics is a longstanding need of the function, both in terms of its contribution to the organisation but also to development of the function itself.

'Measurement for us is not only in terms of what the function brings to the business, but also to the development of our teams. It is very important to have better and a more standard measure of what we're doing.'

There can still be a gulf between the reliance of an organisation on corporate affairs in a crisis, and the sense of corporate affairs as an adjunct function, non-core, with a relative lack of recognition for its ongoing contribution. To have a successful function adding value as it can, this needs to be addressed.

'The team puts so much effort in and it's normally to someone else's glory. I said to the gang, don't expect any external praise. So, we've really got to love each other as much as we possibly can.'

'I know "no news is good news" is the motto, and it's a terrible one. Sometimes I email people in the organisation at senior level to say, could you just send a nice note to my team to say, thank you for that. It looks like it's been generated by them, so the team doesn't realise, but I'm sort of generating praise and motivation for the team.'

'Have people thought about bringing in communications when they're actually at a nascent stage to think about reputation management, especially if you're in a deal environment? I used to work in private equity and that was an issue as well.'

There is a lack of understanding throughout organisations of what corporate affairs can contribute, but also about how much resourcing it takes to achieve some of the reputational goals that are now on the agenda.

'Resourcing is a constant issue from my point of view, [and] people not understanding how time-consuming a lot of what we do is. They're like, "Wow, you just did that!" but that took two months to set up or to defend. New products and new geographies get thrown in all the time and there is no budget for it.'

There is sometimes a misalignment between the leadership aspirations for reputation of an organisation, and the culture that does not prioritise things in the same way.

'I find with [X] that although they do embrace multiple different channels of communication, people just don't read stuff and I know that's the same in every organisation. I think it's a similar issue to the resourcing problem: it's fundamentally about prioritisation. Do people see reputation or stakeholder issues as being important? Whether they find that to be important or not comes back to culture. Whether it's reinforced that reputation is a really important part of who the business is.'

The competition for attention within organisations can be as intense as the competition for external attention. Tailoring content to address this, and motivate the partner within the organisation by sharing benefit/credit are both good strategic choices.

'People have only got so much bandwidth, and so going for something short, sharp, concise, and sort of spoon-feeding is probably the most effective.'

'If there's some transactional element you can put in – there's definitely something there in terms of how we can coach people into engaging. Maybe allowing them to put their name in lights a little bit – they get a little bit of benefit, but we achieve our aims.'