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# LIVING IN LIMINALITY

**Let's agree.** Individually and collectively, we've experienced massive disruptions in the past two years.

Few things in our lives and surroundings have been untouched. We're reimagining how we live and work. We're urgently seeking to restore public health in the face of an ongoing global pandemic. We're confronting unrelenting assault on bedrock principles of democracy in the U.S. and elsewhere. All this while the climate crisis worsens.

If we've learned anything, it's that chaos is a constant. In this maelstrom, it's never been more critical to bring openness, curiosity and resilience to how we engage with and make sense of a changing world. Not to look away from the challenges — but rather to see them clearly, in all their complexity. And to see the possibilities for progress.

As Ellen McGirt of Fortune has written, we are living in "liminality... the space between two states of being. In anthropology, it is the middle stage of a rite of passage — you're no longer exactly who you were, but you're not yet what you're going to become."

That's a notion we've embraced in our work, certainly more so in recent years.

It's also been a source of inspiration for this Leading at the Intersections report. This resource offers insight on key themes at the center of our work

in 2022, as well as easy links to some of our best thinking from the past year, organized into four topic areas:

- Leadership in a Time of Disruption
- Pivoting for Purpose & Environmental, Social & Governance (ESG) Impact
- The Imperative for Diversity, Equity and Inclusion
- The Convergence of Geopolitics & Communications Strategy

Seeking deeper understanding of the world around us is central to our work as a specialty public affairs agency and part of The Weber Shandwick Collective. We're focused on combining new sources of data — and good old reliable human intelligence — to accelerate solutions that are convention-defying, inclusive, energizing and transformative.

And despite the chaos, we're hopeful about the days ahead and unshaken in our belief that action based on pragmatic optimism can overcome the challenges of our time.

We hope you find the next pages worthy of your time.



Paul Massey
President, Powell Tate



Leadership today requires not just new skills, but a new playbook.

To meet mounting and sometimes conflicting stakeholder expectations; to navigate social, political and economic uncertainty; and to demonstrate value creation beyond the balance sheet, leaders must rethink age-old rules of strategy and make communications and stakeholder engagement a central focus of their thinking. ▶

# 5 NEW RULES FOR LEADERSHIP IN 2022

# Transformation is a competitive advantage

In an era of disruption, corporations must not only continuously improve, they must continuously transform. Meeting current needs and anticipating future ones will promote a competitive advantage that unlocks value for all stakeholders. Leaders must be able to share stories of transformations that create value through innovation and growth, share value that attracts talent and partners — and deliver value that improves communities and society.

#### **Digital fluency fuels innovation**

Changes in society, no matter how rapid and pronounced, will not match the pace of the technological advances ahead. We can expect the innovations of the next decade to make those of the past ten years look like stasis. Companies that responsibly apply transformational technologies like Artificial Intelligence to their operations will have a competitive advantage that creates a virtuous cycle and extends their capacity to adapt and evolve. The winners in tech's next era will be those that find opportunity in seamlessly integrating digital and human capabilities across every aspect of the organization.



Pam Jenkins
President, Global Public Affairs



Mike Connery
SVP, Digital Innovation

#### Values drive organizational strategy

A new generation of employees is demanding that employers express and act upon their social values, and both employees and external activists are quick to point out — and criticize — organizations that behave in ways that are inconsistent with their professed values. In an era when social issues spring up seemingly overnight and companies face unprecedented local, national and global challenges, stakeholder loyalty is earned by speaking out on issues that matter to constituents and unfailingly acting upon those expressions. This is particularly important to public companies, whose valuations are increasingly driven by culture, employee satisfaction and other intangible assets beyond the balance sheet.

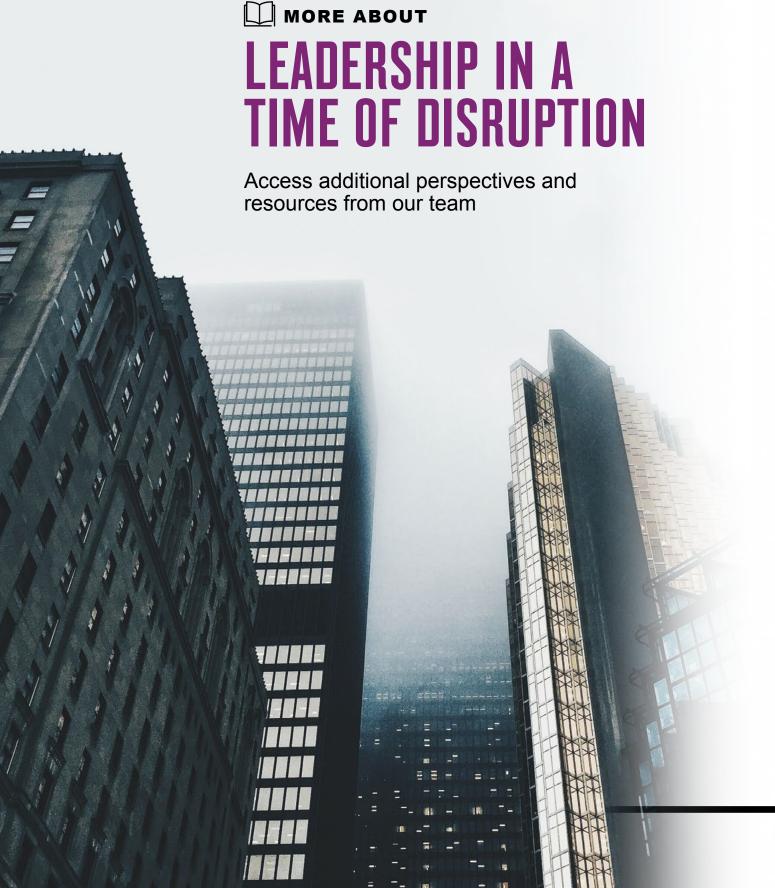
#### Narrative resilience is the new risk management

While speaking out and acting on core values will be increasingly valued, brands that take higher profiles may find themselves under attack from agents of disinformation looking to inflame cultural tensions for personal, corporate, or geopolitical gain. This threat will likely become endemic in an environment where more information — true or otherwise — is available to more people in less time. Brands must be vigilant about these attacks and learn how to track and respond to misinformation campaigns aimed at their companies or stakeholders.

#### Reputations are won in the intersections

Today's leaders, and tomorrow's, have to drive their companies through the intersections where business, culture, technology and geopolitics meet and perhaps collide. How well they manage these sometime conflicting, sometime complementary, vectors will play a significant role in determining organizational performance, building brand and culture and responding to opportunities and threats. The companies that best balance competing stakeholder expectations will enhance their reputations and relevance and be more resilient in the increasingly dynamic marketplace of the future.

As businesses shift to a stakeholder-centric approach, the strategic agenda for many companies is becoming clearer. When companies focus communications on how their transformation creates value and impacts their stakeholders, they deepen trust and earn added loyalty from those stakeholders. In so doing, they're able to mitigate the inevitable shocks to come and to succeed in this era of disruption.



# 10 Trends Affecting Corporate Reputation in 2021

In the last two years, corporations have faced a simultaneous barrage of destabilizing challenges: political turmoil, social upheaval, financial uncertainty and a global pandemic that shuttered businesses and made shut-ins of countless millions of employees and citizens. In a time of dizzying change, companies must closely monitor and cope with fast-evolving, disruptive events while scanning the horizon for the opportunities and threats that lie ahead.

→ Read more to learn about the 10 trends that are impacting corporations' reputations.

#### **Evolution of the C-Suite: Top 8 Trends**

This century's version of the Roaring 20s has so far required C-Suite leaders to manage through a global pandemic, weather an economic downturn, reckon with racial equity and experience the growing impacts of climate change. The events have posed unique tests for residents of the C-Suite.

→ Read more to explore how these global events are reshaping the C-Suite.

## **Combating Misinformation** is **Every Brand's Purpose**

If a lie could travel around the world and back before the truth laced its boots in the 19th century, as Mark Twain famously said, how far and fast does it go at a time of instantaneous, universal communications? What responsibility, and ability, does a brand have for tackling misinformation about fast-moving cultural and policy issues? And just as important, who needs to be at the table when brands decide what their role should be in these conversations? These are the questions many brands are confronting — and that will continue to demand attention from the C-suite in 2022 and beyond.

Read more to find answers.



The 2020s have been called the "decisive decade" because it's critical that nations make progress during these years toward a shared global agenda for sustainable development that addresses climate change and accelerates a transition to a net-zero emissions future by mid-century.

Simply stated — there is much to be done. So, what's possible if world leaders across sectors work together to tackle the immense challenges ahead? And how can we, as individuals, do our part to emerge from the pandemic and realize a safe, sustainable and equitable future? ▶

# PEOPLE EXPECT ORGANIZATIONS

and leaders in 2022 to move well beyond identifying problems and formulating commitments, goals and roadmaps.

Employees, consumers, investors and activists expect tangible, incremental progress now — not in 20 years.

Businesses must evolve a purposeful communications playbook to meet a moment when complex problems that defy easy answers collide with public opinion that is demanding action and impact.

Here are three essential pivots communicators can make to engage stakeholders in meaningful ways this year.

1. Think in terms of INTERSECTIONS, not just distinct ISSUES. Modern challenges are systemic, interconnected and paradoxical. Companies must understand and consider how the multiple facets intersect and offer risks and rewards, benefits and liabilities, to any decision. Bringing data and human intelligence to the discussions will ensure businesses identify the real problems — and increase the likelihood of developing the most widely beneficial solutions.

2. Set and signal clear PRIORITIES within the shared AGENDA. Organizations have limited resources and stakeholders have limited attention. Companies can't tackle everything at once and don't need to as not all challenges are created equal. Businesses should share why they've chosen to focus on certain issues and be prepared to explain (and defend) why they haven't focused on others.

### 3. Move beyond TRANSPARENCY to acknowledge VULNERABILITY.

A report on environment, social and governance (ESG) or sustainable development goal metrics provides a narrow view of activities and outcomes. But real collective learning is possible when organizations share their hypotheses — and both the successes and failures that led to pivots of their strategies.

Evolving communications in these ways, will enable companies to hear the signals instead of the noise, make sense of complicated social and environmental issues, frame the practical agenda for action, and bring together the right stakeholders to jointly create the solutions that will improve our world.



Kate Olsen SVP, Social Impact

# NEW ESG REPORTING RULE IS COMING

The U.S. Securities and Exchange Commission (SEC) has in recent years placed greater emphasis on ESG reporting around climate and social issues.

To date, the SEC has not released a mandatory risk disclosure rule, but observers anticipate new developments in early 2022.

Here's what to watch:

- If a proposed rule is released, it will face considerable scrutiny from business groups, investment firms and public companies, as well by ESG advocacy groups. During the SEC's public consultation on this issue last year, many suggested mandatory climate disclosure rules would face legal challenges for being outside the SEC's statutory authority.
- A related area of focus for the SEC will be perceived greenwashing.
   SEC Commissioners have said there is an increasing number of companies making public climate pledges or committing toward a net zero strategy, while providing limited or no information to how those pledges will be achieved.

Public companies should closely watch for publication of any ESG reporting rule, assess its potential impact on business operations, and monitor related litigation throughout 2022.



**Jim Meszaros**EVP, International Public Affairs



## **Tackling Commitment Fatigue** in **ESG Communications**

It is a paradox of corporate communications: Writing and thinking about ESG issues — the environmental and social impact on business (and vice versa) — have never been more abundant. Yet, that very abundance is creating some "commitment fatigue" among consumers and public stakeholders who are savvier than ever — and who can distinguish those businesses that are genuinely committed to ESG from those who are not. So, what should businesses do to continue reaching their audiences with their ESG story and wake the public up?

Read more to find the answers.

# IPCC Report: Key Climate Change Implications for Businesses

Last year's <u>report by the UN's Intergovernmental Panel on Climate Change (IPCC)</u> outlines alarming trends in global climate and a new urgency for governments, businesses and communities around the world to accelerate action. What does this mean for business? The next few years are critical and businesses need to act with urgency.

→ Read more to learn about the four actions that companies can take immediately.

## **Advancing Health Equity Beyond This Cultural Moment**

Inequity is found throughout society — and the inequities in our health system are particularly harmful. While progress has been made in reducing these inequities, there is much more work to be done. Addressing disparities is both the right thing to do to improve people's overall health — and the smart thing for reducing healthcare costs.

→ Read more to learn how communicators can drive action.



As the Diversity, Equity and Inclusion (DE&I) conversation evolves in 2022, the lens through which people evaluate efforts by corporate and organizational leaders continues to shift.

To date, DE&I has mostly focused on addressing current issues, with the goal of making changes that would acknowledge diversity and improve overall equity and inclusion within organizations, industries and society at large.

However, the racial reckoning of 2020 and the call for accountability in 2021 ushered in a focus on both past and present-day actions. It also gave rise to "JEDI" — justice, equity, diversity and inclusion — which embraces the idea of restorative justice, an area we expect to gain further traction in the year ahead. ▶

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# FROM DE TO JEDI

While organizational leaders grappled with how to address a range of internal and external issues, stakeholders broadened their analysis to explore how current and past actions have negatively impacted key groups, including BIPOC groups, people with disabilities and LGBTQIA populations.

Regardless of where leaders and organizations are on their DE&I journey, living up to the expectations of current stakeholders calls for a deeper analysis of both past and present policies, partnerships, investments and actions.

Anticipated conversation and action drivers in 2022 include:

Racial and gender diversity during the Great Reshuffle: Less than half of employees strongly agree that their employer is doing enough to advance DE&I, from the overall strategy and vision, to how that strategy is resourced and shared more broadly, to defining the role that every member in the organization must play to achieve that vision. An MIT study also showed that toxic culture, including the failure of companies to promote DE&I in the workplace, was the top reason for resignations.

**COVID-19** and lingering health and economic disparities: The World Economic Forum reported that "women, alongside the poor, elderly, disabled and migrant populations, have borne the brunt of the fallout from the pandemic. In the US, women accounted for 55% of all jobs lost, even though they make up under half of the total workforce..." When looking

at racial groups, additional disparities emerged. "As with previous crises, minorities are hit harder and recovering more slowly from the COVID-19 induced downturn. This is true both for workers and small businesses. Within a month of the pandemic hitting the US, 22% of small businesses went under. While 17% of white owned businesses failed, 41% of black owned businesses collapsed."

Climate change and its impact on underserved communities: While BIPOC communities fight against coal power stations and chemical plants in their neighborhoods. a 2021 map of exposure to coal ash pollution in the US found that "nationwide, the burden of coal ash pollution is carried disproportionately by communities of color and low-income communities." As this occurs, these same communities face reduced access to healthcare, fewer resources for legal costs, less political power to oppose those contributing to pollution, and a higher exposure to the effects of climate change (wildfires, rising temperatures, extreme weather, etc.).

Additional areas to watch:

- Infrastructure: Which communities will benefit from the investments to come?
- Gender pay equity
- Corporate executive and board diversity
- Housing discrimination: How discrimination in appraisals have impacted BIPOC communities during the recent housing boom
- Advancing inclusion as we expand how groups express new identities

As we collectively attempt to build a new normal following the pandemic, there will be ample opportunity to create greater, more meaningful impact for several groups. How much we accomplish will depend on the laser focus directed at JEDI to effect positive change.



**Emil Hill** EVP, Public Affairs



**James Walker** SVP, Integrated Media Strategy



# THE IMPERATIVE FOR DIVERSITY, EQUITY & INCLUSION

Access additional perspectives and resources from our team



#### Diversity, Equity and Inclusion: A People Imperative

More than ever, employees and consumers are calling on organizations to create more diverse, equitable and inclusive cultures and workplaces. Often seen as a human resources imperative, DE&I is a key driver of business outcomes — and investing in DE&I pays even more dividends when considered part of a holistic business strategy.

→ Access United Minds' report Diversity, Equity and Inclusion: A People Imperative to find out why DE&I is essential for the overall business success and what organizations can do to advance it.

#### **The Contribution Effect**

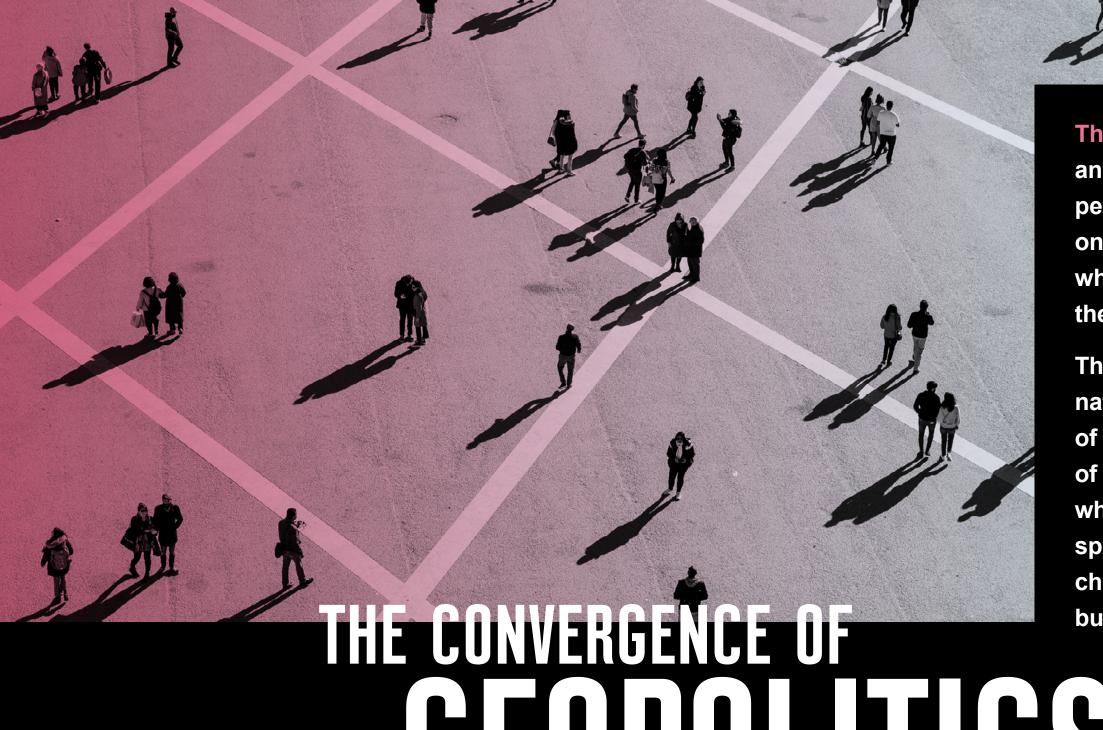
While flexible work and innovative benefits dominate the conversation about retaining talent during the Great Resignation, that's not the only discussion companies should be having. United Minds' report <u>The Contribution Effect</u> reveals that having meaningful work matters as much to the employee experience as compensation and flexibility.

→ Read the report to learn about what are the top predictors of retention and satisfaction, and how executives can evolve and elevate their employee experience.

# How Chief Diversity Officers are Meeting the Challenges of Today and Tomorrow

The United Minds' global study, <u>How Chief Diversity Officers (CDO)</u> are <u>Meeting the Challenges of Today and Tomorrow</u>, offers a look at the function of CDO before and after a period characterized by a global pandemic, racial justice movement and recession. The study found that despite an increase in responsibilities and resources, senior DE&I leaders continue to make the business case for the importance and impact of DE&I.

Read the report to learn more about the findings and how to move forward.



The convergence of geopolitics and global business has become pervasive and the challenges will only grow for global companies whose home nations are among their principle stakeholders.

The call for home country-first among nation states, the fluctuating tides of globalization, quick-rising claims of national security and the speed in which truthful and false information spread across worldwide media is challenging the best of our corporate business-decision makers. ▶

GEOPOLITICS
& COMMUNICATIONS STRATEGY

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### WE'VE ALWAYS KNOWN

that communications leaders are essential to the business and reputation of a company. The geopolitical landscape and rise of the home country stakeholder now makes that leadership role even more critical. Those who answer the call sooner rather than later will help their organizations mitigate risk, seize opportunity and ultimately help define what it means to be a business in the 21st century geopolitical arena.

It starts with recognizing the fundamentals that should inform how leaders shape a modern communications operation and strategy to deal with challenges:

#### Geopolitics isn't just for the Geopolitical

Risk team. All enterprise leaders are required to be steeped in knowledge of international affairs. Communications leaders, with their finger on the pulse of the media and a full portfolio of stakeholders — including employees and consumers who are now pressuring companies to take a stance on issues of international importance — are well-placed to guide their organizations in understanding, anticipating, planning and protecting against geopolitical issues and maintain credibility.

#### Media intelligence must be global.

Business leaders are now required to understand how content is created, shared and consumed in every market where they operate. This includes the recognition that the public's access to truth is limited or non-existent in closed or censored societies. Thus, the ability to counter inaccurate narratives about an event, a brand or a company in these environments is severely curtailed and presents challenges new and different from combatting disinformation in open societies where free speech and a free press are codified in the rule of law.

of global executives believe their company should be prepared to take a more public position on geopolitical issues in the next five years. This often happens because they have to — not because they want to. Leaders should gather examples of missteps other companies have made weighing in on geopolitical issues and test out how they might respond in the media to issues that played out to the general public and to employees who pushed for action. Practice may not make perfect, but preparation is always better than being forced to take a position before you're ready.

All of the above must come with the understanding that in diplomacy there is no frictionless path. Crises will happen and shocks will come. The imperative for leaders is to prepare now as the rise of the home country stakeholder forces new choices and consequences for corporate leaders defining what it means to be a global business in the 21st century geopolitical arena.



Michelle Giuda

EVP, Geopolitical Strategy & Risk

# ANTICIPATING THE YEAR AHEAD: GLOBAL EVENTS TO WATCH IN 2022

The new year has started with continued uncertainty over the path of the global COVID-19 pandemic, evolving economic challenges, rising political and social unrest and the prospect of geopolitical conflicts that could disrupt business and international relations persist.

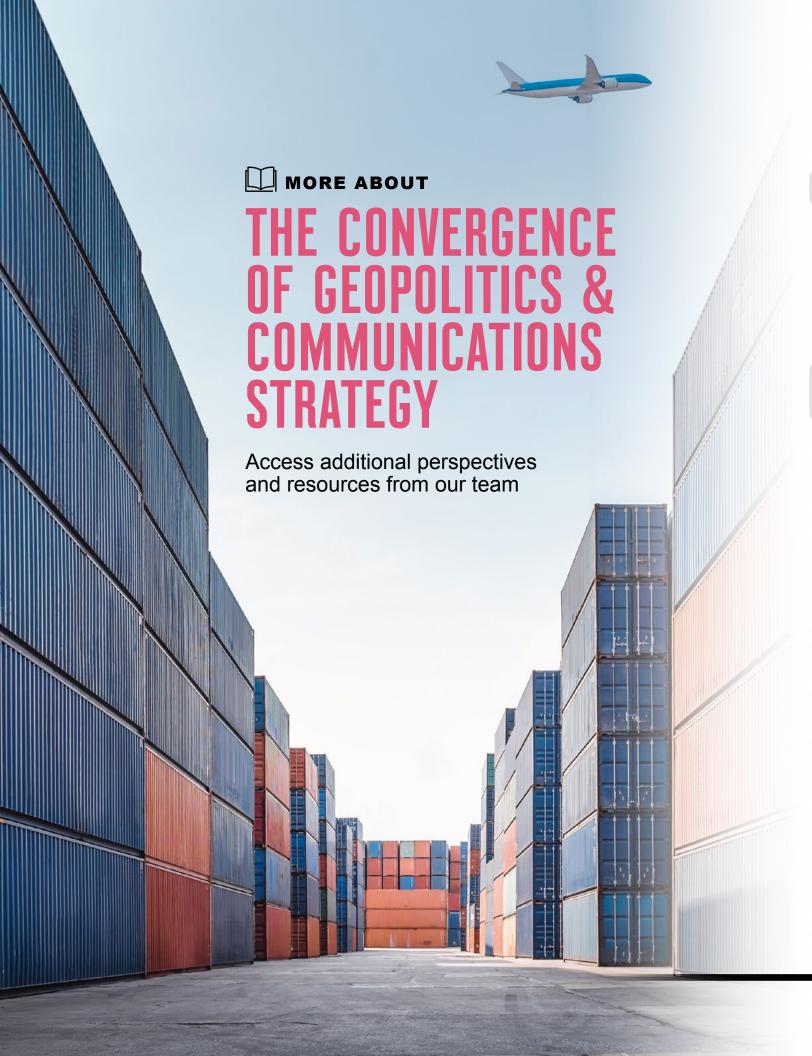
Here are eight global events to watch in 2022:

- 1. Economic policymakers will work to simultaneously stimulate economic growth, control inflation, incentivize new investment and manage worker shortages and supply chain disruptions.
- 2. Political unrest is on the rise around the world.
- 3. The global war for talent is changing the future of the workforce.
- **4.** COVID-19 is likely to transition from a global pandemic to an epidemic in 2022.
- **5.** Regulators in Europe and the U.S. are focusing on technology firms and antitrust issues, data privacy and content management.
- 6. Digital finance is entering a new era.
- **7.** Countries are not on track to meet the goals of the Paris Climate Agreement.
- **8.** Geopolitical disputes could disrupt global business or require extensive government diplomacy and responses.

<u>Click here</u> to read the details of each global event.



**Jim Meszaros**EVP, International Public Affairs



#### Global Business at the Geopolitical Frontlines

Business as usual for multinational companies no longer exists. A new geopolitical era has emerged — the 21st century Great Power Competition — in which multinational companies run the risk of unprecedented scrutiny, tampered reputations and business damages.

→ Read the Geopolitical Risks to Business Reputation report to learn about the three major areas for reputational risk and the best practices to proactively manage them.

### Home Country as a Key Stakeholder for Global Businesses

COVID-19 super-charged conversations among corporate leaders about the role of business in the world.

→ Read the Home Country as Stakeholder: The Rising Geopolitical Risk for Business Leaders report to find out how businesses rethink, reevaluate and reassess their role in a post-COVID world with heightened geopolitical competition — and how they communicate their value to their home country and all other relevant stakeholders.

### **ABOUT US**

Powell Tate, the public affairs unit of The Weber Shandwick Collective, is built to deliver the next-generation solutions clients need to win in a complex, prove-it-works world. Our approach is informed by data and animated by a human element that creates compelling stories for our clients' audiences. As part of a broader network, we're led by world-class strategic and creative thinkers and activators who deploy leading and emerging technologies to inform strategy, develop critical insights, heighten impact, and move the needle on reputation, public policy, and social issues.

Our differentiator is how we see and approach today's best-in-class communications. Delivering powerfully integrated, culturally resonant solutions, we believe the best and most effective campaigns are led by a core set of operating principles:

#### **Human-Led, Data-Driven**

Strategic communications' programs today must marshal a vast amount of available data and combine it with the intelligence of experienced communicators to shape stories that move target stakeholders.

#### **Channel-Savvy**

Communicators need to deliver their stories where the audiences are. While we have an earned-first perspective, we know consumers often do not distinguish between earned, owned, shared or paid content. We create content and tell stories that are emotionally resonant, immediately relevant and newsworthy across all channels at key moments — the hallmark of best-in-class communications today.

#### Always-On

Today's news cycle never stops. The best companies strategically plan for and create news opportunities while nimbly and tactically responding to the non-stop news cycle.

#### Measurable

The explosion of data accessibility allows communicators to demonstrate measurable return on investment. Best-in-class communications campaigns begin with a clear, measurable goal and use data and analytics to adjust in order to achieve results.

#### **Grounded In Purpose**

Customers, employees and other stakeholders expect companies to do more than provide quality products and services — they expect companies to demonstrate their values and impact on the world. At the heart of any best-in-class communications program is an authentic understanding of a company's purpose and a recognition that the purpose extends beyond the company's bottom line.

#### **BE IN TOUCH**

**Sign up** for our newsletter

Send us an email: Paul Massey 🖸



