



# TRUST, RISK AND RESILIENCE:

Where are we now  
and where next?

**FEBRUARY 2023**

# TRUST, RISK AND RESILIENCE,

A Summary and Analysis of the Key  
Turn-of-Year Global Reports on Trust  
and Risk

World Economic  
Forum Global  
Risks Report

Ipsos Global  
Trustworthiness  
Monitor

The Page Society  
Survey of Chief  
Communications  
Officers

The Conference  
Board C-Suite  
Outlook 2023

Edelman  
Trust  
Barometer

**By Rod Cartwright**  
9 February 2023

# Table of Contents

1.	<b>Introduction and overview:</b> What does this report deliver?	<b>3</b>
2.	<b>Key themes:</b> What lessons can be drawn from the turn-of-year reports?	<b>4</b>
3.	World Economic Forum Global Risks Report	<b>6</b>
4.	Ipsos Global Trustworthiness Monitor: <i>Stability in an Unstable World</i>	<b>9</b>
5.	The Page Society Survey of Chief Communications Officers: <i>CCO Views into 2023</i>	<b>12</b>
6.	The Conference Board C-Suite Outlook 2023: On the Edge, <i>Driving Growth and Mitigating Risk Amid Extreme Volatility</i>	<b>15</b>
7.	Edelman Trust Barometer	<b>18</b>
8.	<b>Where next?</b> Ten practical recommendations	<b>21</b>
9.	<b><i>About Rod Cartwright</i></b>	<b>23</b>



1.

# Introduction and overview: what does this report deliver?

**As is now tradition, the pre-Davos, turn-of-year period has been marked by a procession of major reports analysing the state of trust in the world and the nature of our risk environment. 280 pages, in fact, if you total up the five key reports analysed in this summary.**

Read individually, each document – from the World Economic Forum, Ipsos, The Conference Board, The Page Society and Edelman – provides valuable information. Taken together, they offer invaluable insights into the trust and risk landscape while underlining the critical role of managing and mitigating risk as a cornerstone of building trusted organisational relationships.

In this short practical guide, I briefly summarise the key points of each report, identify common threads and marked differences, and suggest key lessons for professional communicators and business leaders.

I have drawn directly from the reports, quoting, paraphrasing or editing down the key elements for the sake of brevity. For speed and ease of reading, I have kept things brief and provided embedded links to source documents and related resources.

What emerges is a distinctly yin and yang picture of considerable risk and undeniable opportunity. On the one hand, we see a wall of interconnected economic, geopolitical, environmental and structural risks. Taken together, these risks contribute to a deepening sense of political polarisation, social division and economic inequity.

On the other, sits a widespread realisation that creating trusted internal and external

relationships – through a commitment to consistency, transparency, responsibility and genuinely putting people first – holds the key to making an ESG-centred approach to stakeholder capitalism a success.

For all the awareness of this acute risk environment, many organisations still lack a systematic approach to risk mitigation, crisis preparedness and resilience-building.

There are certainly no overnight answers or quick fixes. But as boards, risk committees and corporate affairs teams continue their rolling risk and opportunity assessments, I hope this overview is helpful in navigating a business, economic and societal environment recently described by the [Centre for Creative Leadership](#) as RUPT (Rapid. Unpredictable. Paradoxical. Tangled).

I will be running webinars, interactive workshops and an online diagnostic for clients, informed by this analysis. Please get in touch if you'd like to discuss this short report and its implications for enhancing preparedness, trust and reputational resilience.

*[Note: I asked ChatGPT to help compile this analysis, but it politely declined, reminding me that its "knowledge cut-off is 2021."]*

## 2.

# Key themes: what lessons can be drawn from the turn-of-year reports?

For each document, I have provided an initial “TL;DR” (too long, don’t read) summary of the key points. However, to help the reader further, the following are ten central themes which emerge from reviewing all five reports side by side. For each theme, I have provided a short synthesis and recommendation for action:

**i. It’s the economy, stupid – and this time it’s personal:** The very personal impact of the cost-of-living crisis, near-global inflation, soaring energy costs and rising food prices is the standout red thread running through all five reports. Regardless of size, scale, sector or location, **all organisations should place the human experience and impact of these economic dynamics on employees, customers and communities at the heart of their strategy.**

**ii. Polarisation and division – the new abnormal:** Almost as universal as concerns over the cost-of-living crisis is a sense of ever-greater political polarisation, social division and economic inequity. This sense of fundamental and widening schisms is consistent across the different analyses. **With the business community, in particular, now expected to stand up and speak up on societal issues of the day, actively tackling these divides should be a central consideration for every business.**

**iii. Climate, climate and more climate – the game of environmental jeopardy:** As much as some of our leaders might hope to wish away the climate emergency, the existential threat posed by climate change is the issue of today, tomorrow and the next decade. The world is locked in a complex game of increasing environmental jeopardy that we cannot afford to lose. As COP28 comes to Dubai in November – following widespread

disappointment with progress at Sharm El Sheikh – **proactive involvement in this defining challenge of our times is non-negotiable.**

**iv. Trust – in the doldrums, on the up or both?:** The two key studies of trust – Edelman and Ipsos – have respectively made a strategic choice to approach this critical question from different corners of the ring. However, even if the long-term trajectory of global trust is allegedly an upwards one, its baseline is hardly award winning. **Fostering trusted relationships – internally and externally – should be a cornerstone of every organisation’s approach, with one eye firmly on consistency, transparency and responsibility.**

**v. Geopolitics and geoeconomics – a new era of embedded conflict?:** The nature and level of concern about geopolitical and geoeconomic factors may vary somewhat by region. However, questions about the impact of the war in Ukraine, Western relations with China, energy policy and security, military conflict, and rising nationalism and protectionism, and access to natural resources is never far from leaders’ minds. **Being fully alive to the potential of varying forms of conflict to become the new normal – and preparing accordingly – should be a critical element in the assessment of key risks, challenges and opportunities.**

‘As much as some of our leaders might hope to wish away the climate emergency, the existential threat posed by climate change is *the* issue of today, tomorrow and the next decade.’

**vi. DE&I and the human imperative – it’s all about the people, people:** In a stagnant economic environment, factors such as the enduring ripple effects of the pandemic, evolving working patterns and labour shortages are widely viewed as critical to future success. Indeed, Gallup’s 2022 annual, 160-country [Global State of the Workplace](#) found that just 21% of the global workforce is positively engaged with their work (14% for Europe and 9% for the UK), while 44% experience daily stress (vs 33% who are “thriving”). **Considering how to recruit, retain and engage a genuinely diverse, inclusive workforce – at a truly human level – will be a hallmark of those organisations that survive and thrive.**

**vii. Stakeholder capitalism and ESG – stakeholder value is here to stay:** Amid a largely gloomy set of conclusions, one chink of potentially radiant light is the widespread agreement that stakeholder capitalism and ESG are now a bedrock of the global economy. **With the EU’s Corporate Sustainability Reporting Directive, Due Diligence Directive and European Sustainability Reporting Standards exemplifying an increasingly interventionist approach by regulators, truly embedding ESG and stakeholder value will be a form of invaluable differentiation.**

**viii. Corporate activism and engagement – stepping in where government fears to tread:** Even if the long-term trajectory of trust is a positive one, the corporate sector emerges as the

one truly trusted institution globally in the near term. **As governments continue to fall short in the mind of their publics, businesses would do well to heed the clamour for the corporate sector – from the CEO down – to step up and speak out on major issues of the day. Doing so is naturally not risk free, and businesses should only do so when it is in line with their specific business, reputational and brand strategies.**

**ix. Interconnected risks in an interconnected world – the intersectionality of risk:** Taken together with issues of division and polarisation, the increasing interconnectedness of risk factors shines through as a common theme. **As organisations seek to quantify, qualify and prioritise their risk scenarios, factoring in the interplay and mutual reinforcement of risks will be ever-more essential.**

**x. Risk mitigation and crisis management – it’s time to get (properly) ready:** Whether it is cybersecurity, pandemics, financial instability, the climate emergency or geopolitical conflict, it is clear that businesses around the world – and CEOs in particular – feel woefully underprepared. The proactive mitigation and management of risk is now a centrepiece of corporate resilience, performance and valuation. **The critical importance of adopting a systematic, measurable approach to crisis preparedness completes the picture emerging from these five overlapping reports.**

## 3.

# World Economic Forum Global Risks Report *(11 January 2023)*

**TL;DR: The cost-of-living crisis is the most severe threat facing the world over the next two years, with food, fuel and cost crises exacerbating societal vulnerability. Over a 10-year window, a failure to tackle climate change will be the lead risk, with the balance of climate mitigation and climate adaptation efforts representing a risky trade-off. The risks of stagnation, divergence and distress will be compounded by geopolitical fragmentation driving geoeconomic warfare and multi-domain conflicts. Technology will continue to exacerbate inequalities, with cybersecurity a constant concern. The interconnectedness of risk factors will see the likelihood of polycrises accelerate.**

Developed in partnership with [Marsh McLennan](#) and [Zurich Insurance Group](#), the [World Economic Forum](#) published its annual [Global Risks Report 2023](#) to coincide with Davos – now back in its traditional January slot. The report is designed to help understand and analyse the risks the world is likely to face over the coming 10 years.

The report draws on a combination of the Forum's Global Risks Perception Survey (GRPS) and Executive Opinion Survey (EOS), as well as harnessing contributions from over 40 colleagues and 50 experts across the World Economic Forum's platforms and communities.

**GPRS** brings together leading insights on the evolving global risks landscape from over 1,200 experts across academia, business, government, the international community and civil society. Responses for the GRPS 2022-2023 were collected from 7 September to 5 October 2022.

GPRS defines a global risk as *“the possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion of global GDP, population or natural resources.”* The GRPS 2022–2023 included the following components: outlook, severity,

consequences, risk preparedness and governance, and qualitative questions on risks.

**EOS** identifies risks that pose the most severe threat to each country over the next two years as identified by over 12,000 business leaders in 121 economies. When considered in context with the GRPS, the EOS data provide insights into local concerns and priorities and points to potential “hot spots” and regional manifestations of global risks.

As the report sums up in its launch release, the survey identifies **the cost-of-living crisis** as the most severe threat facing us over the next two years. Next are **natural disasters** and **extreme weather events**, while **geoeconomic confrontation** also features in the top three most severe risks in the immediate future.

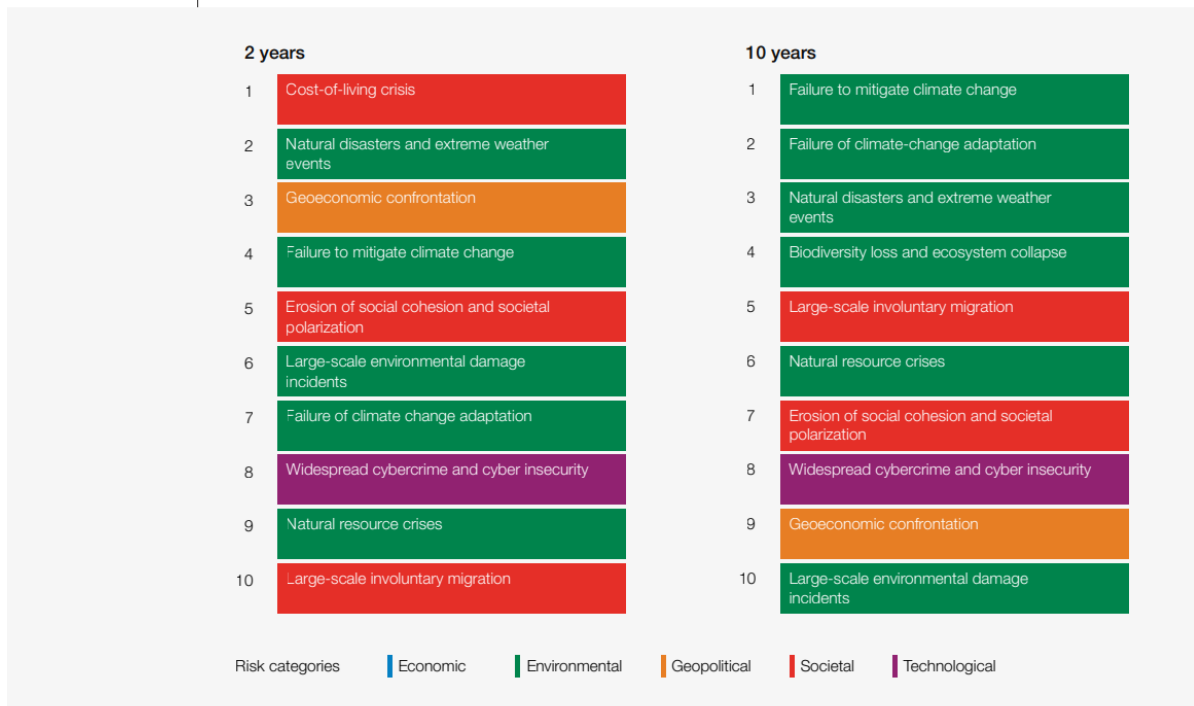
This is in marked contrast to a 10-year view from which the long-term risk of **failure to tackle climate change** emerges as the biggest set of risks. From failure to mitigate climate change to biodiversity loss and ecosystem collapse, the top four most severe risks over the next 10 years are all environmental. Indeed, the cost-of-living crisis drops out of the top 10 entirely, while geoeconomic confrontation drops to 9.

The 2-year and 10-year risk landscape – ranked by severity – are summed up in this graphic:

FIGURE A

Global risks ranked by severity over the short and long term

*"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period"*



The report's "[digest](#)" executive summary draws out a series of key themes from the overall research:

**a. While the cost of living dominates global risks in the next two years, climate action failure dominates the next decade.** The report stresses that: *"The next decade will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends."*

**b. As an economic era ends, the next will bring more risks of stagnation, divergence and distress.** *"The economic aftereffects of COVID-19 and the war in Ukraine have ushered in skyrocketing inflation, a rapid normalization of monetary policies and started a low-growth, low-investment era",* the Forum concludes.

**c. Geopolitical fragmentation will drive geoeconomic warfare** and heighten the risk of **multi-domain conflicts.** *"Economic warfare is becoming the norm, with increasing clashes between global powers and state intervention in markets over the next two years."*

**d. Technology will exacerbate inequalities, while risks from cybersecurity will remain a constant concern.** The report notes that: *"The rapid development and deployment of new technologies, which often comes with limited protocols governing their use, poses its own set of risks"* and concludes that *"The technology sector will be among the central targets of stronger industrial policies and enhanced state intervention."*

**e. Climate mitigation and climate adaptation efforts** are set up for a **risky trade-off, while nature collapses.** *"Climate and environmental risks are the core focus of global risks perceptions over the next decade – and are the risks for which we are seen to be the least prepared",* the report suggests, adding, *"The lack of deep, concerted progress on climate action targets has exposed the divergence between what is scientifically necessary to achieve net zero and what is politically feasible."*



**f. Food, fuel and cost crises exacerbate societal vulnerability**, while declining investments in human development erode future resilience. The report suggests that: *“Compounding crises are widening their impact across societies, hitting the livelihoods of a far broader section of the population, and*

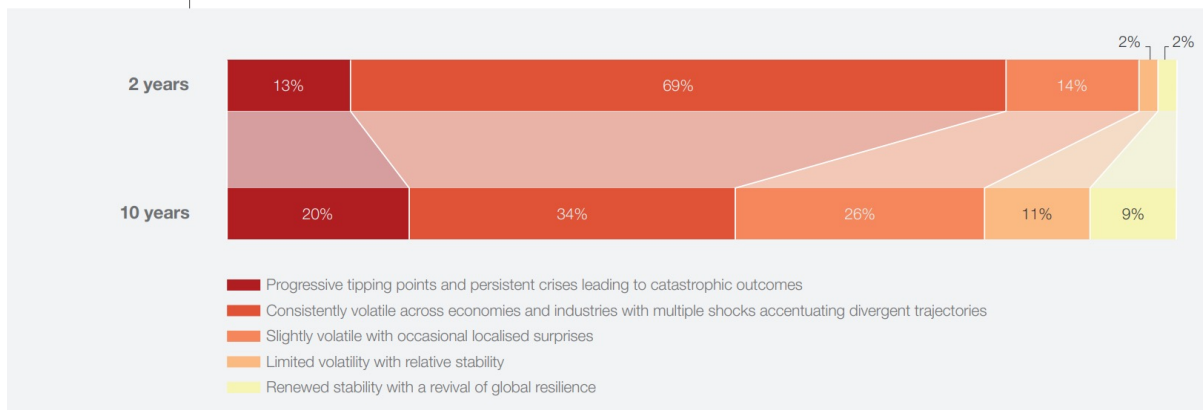
*destabilizing more economies in the world, than traditionally vulnerable communities and fragile states”* and notes that: *“Associated social unrest and political instability will not be contained to emerging markets, as economic pressures continue to hollow out the middle-income bracket.”*

**The sense of compounding crises over time is summed up in this graphic:**

FIGURE B

**Short- and long-term global outlook**

*“Which of the following best characterizes your outlook for the world over the short-term (2 years) and longer-term (10 years)?”*



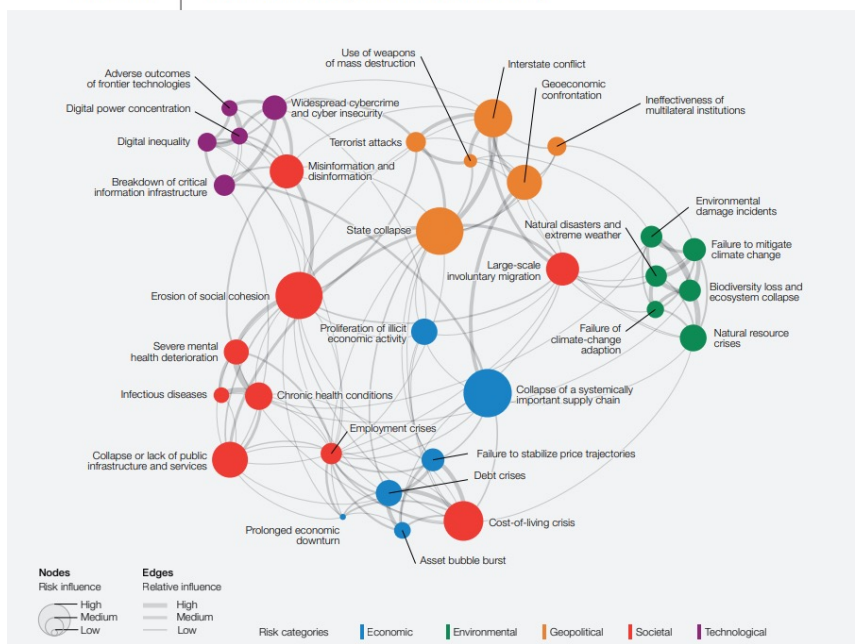
**g. As volatility in multiple domains grows in parallel, the risk of polycrises accelerates.** *“Concurrent shocks, deeply interconnected risks and eroding resilience are giving rise to the risk of polycrises – where disparate crises interact such that the overall impact far exceeds the sum*

*of each part”*, says the report, adding that: *“as continued, concurrent crises embed structural changes to the economic and geopolitical landscape, they accelerate the other risks that we face.”*

**This interconnectedness is summed up graphically:**

FIGURE C

**Global risks landscape: an interconnections map**



## 4.

# Ipsos Global Trustworthiness Monitor Report

(11 January 2023)

**TL;DR:** Contrary to the conventional narrative that trust is either in crisis and/or getting worse, the Global Trustworthiness Monitor has again found there has been no seismic change in the levels of trust over the past year. Despite a year of negative news, political uncertainty and economic woe, bedrock trust in Government and major industry sectors is still improving slowly. Trust in most institutions, professions and sectors (pharma leads the field) has, in fact, been stable for a long, long time, and there is no global push for increased regulation. Changes in trust that have occurred over the last 20 years have been slow and far from dramatic. Keeping your promises, openness/transparency and responsible behaviour are the key drivers of trust, and business leaders are globally expected to speak out on social and political issues.

Global research powerhouse, Ipsos, produced its fifth annual [Global Trustworthiness Monitor](#) this year, entitled *Stability in an Unstable World*. This year's Monitor was compiled based on responses from an international sample of 16,017 adults across 21 countries, aged 16–74 in most countries and aged 18–74 in Canada, South Africa, Turkey and the United States.

As an intentional foil to Edelman, with this year's report released a week before the Trust Barometer, Ipsos is clear in its intention to create an optimistic, research-led counter-narrative to Edelman's typically downside-focused study. *"Trust across the world appears to be on a slow but steady rise for nearly all the sectors and institutions we measure."*

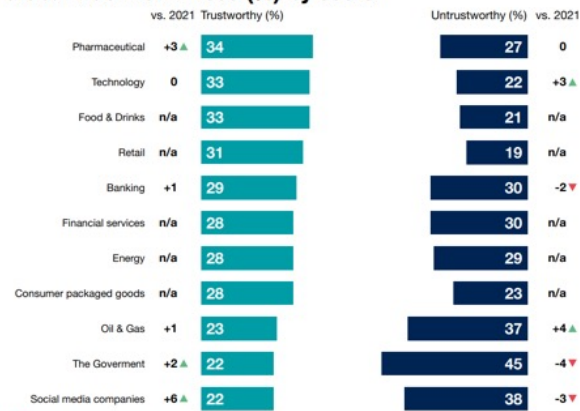
The firm asserts that: *"The conventional narrative about trust is that it is either in crisis and/or getting worse. In the first wave of the Ipsos Global Trustworthiness Monitor in 2019, Ipsos challenged this viewpoint by looking at a wide range of data sources and trends from across the world."*

*"Our main conclusion then was that trust in most institutions, sectors and professions has been stable for a long, long time, and that the changes that have occurred over the last 20 years have been slow and far from dramatic. There is no evidence to suggest that this observation does not still hold true now ... the data from this year is reason to be optimistic."*

In concluding the 2023 study, Ipsos stresses that: *"Overall, our key finding this time is that, despite a year of negative news, political uncertainty, and economic woe, the bedrock trust that the world's population has in Government and the major industry sectors of the world is still improving slowly, in most cases. There has been no seismic change – some eight sectors are seen as trustworthy, many are not. But so far, the public's judgment either way is yet to be affected by the momentous events of the year."*

These bold assertions are supported particularly by Ipsos’ sector trust data – in terms of current year numbers and multi-year trends:

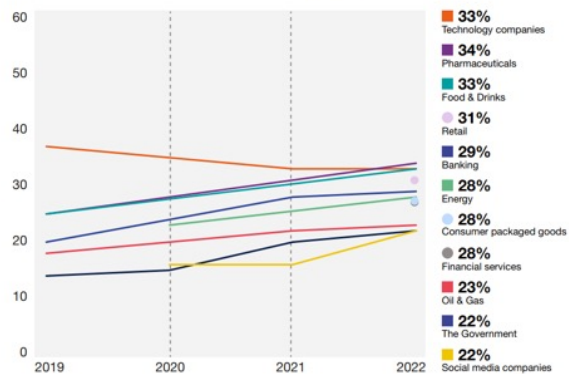
Global trustworthiness (%) by sector



▲ ▼ Statistically significant difference since 2021

Q: Please look at this list of different types of organisations and institutions. In general, do you think each is trustworthy or untrustworthy? Source: Ipsos Global Trustworthiness Monitor: Global: Global Country Average of 16017 online interviews across 21 countries c.500-1000 online interviews per country aged 16/18-74, August 26-September 9 2022.

Global sector trustworthiness (%) over time



Q: Please look at this list of different types of organisations and institutions. In general, do you think each is trustworthy or untrustworthy? Source: Ipsos Global Trustworthiness Monitor: Global: Global Country Average of 16017-17500 online interviews across 21 countries c.500-1000 online interviews per country aged 16/18-74, 2019-2022.

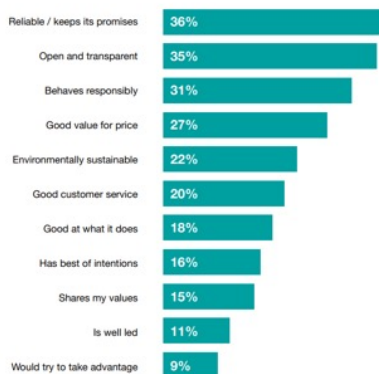
From an industry sector perspective, Ipsos is typically upbeat in its conclusion that: “Overall, not much has changed and trustworthiness in industries is generally trending upwards. The drivers of trust have remained the same year on year. Businesses and organisations can therefore take some comfort that there is no inherent decline in public levels of trust in the organisations and the sectors that have daily influence on their lives.”

The same, concludes Ipsos, cannot be said of governments and politicians, noting that: “It’s difficult to tell a positive story about trust in government, globally speaking. On average across 19 countries around the world, only 22% think their government is trustworthy, while

45% rate it as untrustworthy.” These data are echoed in the findings of Ipsos’ monthly [What Worries the World](#) research. The December 2022 data found that on average 62% of respondents feel their country is on “the wrong track”, with inflation topping the list by far of key issues of concern.

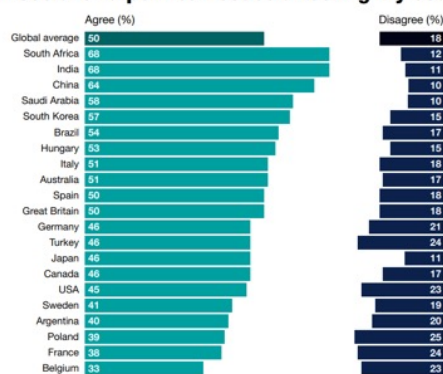
Crucially, Ipsos pins down the key drivers of trust – with reliability/keeping to promises, openness and transparency, and behaving responsibly topping the list. These are crucial when read alongside data unambiguously pointing to the fact that: “Business leaders seem to have a licence – or even a duty – to take a stand on the issues that really matter to their compatriots.”

Global trust drivers by importance



Q: Which two or three of the following attributes, if any, are most important to you when deciding whether or not to trust an organisation or institution? Source: Ipsos Global Trustworthiness Monitor: Global: Global Country Average of 16017 online interviews across 21 countries c.500-1000 online interviews per country aged 16/18-74, August 26-September 9 2022.

Business leaders have a responsibility to speak out on social and political issues affecting my country



Q: To what extent, if at all, would you agree or disagree with the following statements about corporate leadership? Source: Ipsos Global Trustworthiness Monitor: Global Country Average of 16017 online interviews across 21 countries c.500-1000 online interviews per country aged 16/18-74, August 26-September 9 2022.

**Within these overall findings, Ipsos draws the following conclusions in *five other key areas* (what follows are the key elements of each section's concluding thoughts):**

**a. The relationship between trust and regulation:** One of the benefits of being trusted is less regulatory risk. The evidence indicates that there is no global push for increased regulation, which would seem to indicate that there is no crisis in trust. A majority of the global public across 21 countries feel that current levels of regulation for companies across a range of sectors are appropriate.

Regulation brings certainty, which is highly desirable for business planning. Multinational companies heavily favour well-regulated markets – the behaviours required by highly regulated markets are the values people look for when judging the trustworthiness of sectors and companies.

**b. Trust in government – crumbs of comfort:** In nearly all markets surveyed, trust in government has risen over the last four years – it is, however, still net negative. Ratings of government competence, motivations and values, leadership, responsibility, reliability and transparency, which are the drivers of trust, are all better than they were in 2019. Trust in politicians or ministers is not improving at the same rate as overall trust in government itself.

**c. Trust in professions – a return to the pandemic status quo ante:** Our core thinking on the topic of trust is that it is a slow-changing phenomenon whose inertia is tied to the deep-held values that define us as individuals – it took an event the scale of the COVID-19 pandemic to significantly change trust in professions, which had been stable for many years.

We are seeing the world's most trusted professions (doctors, scientists, teachers) returning to levels of trust seen before the pandemic – gains were made for professions in how they responded to the crisis. As things return to normal, there will be little to challenge our deeply held pre-formed opinions of how much we trust different professions, and so perceptions are unlikely to change soon. Anyone looking for change will likely find it at the sector level.

**d. Trust in business leadership:** Just three in 10 people trust business leaders to tell the truth. Many others are reserving judgement and will be receptive to positive, authentic stories from business leaders about the good things they're doing, and how they contribute to wider society.

Trust in business leaders varies a great deal across the globe; the same is true when we ask people whether business leaders behave ethically and whether they're a force for good. Sentiment is more positive in countries such as India, China, Saudi Arabia and Japan, where businesses are more likely to be seen as engines of dynamism and progress, than in many of the more sceptical European or North American nations.

Expectations of the role that corporates should play in society are fundamentally changing as businesses become more purpose driven, employees more assertive and leaders more vocal. As the trust landscape shifts, business leaders need to be armed with a clear understanding of what creates (and destroys) their most valuable asset.

**e. Trust across the generations – same but different:** Generational divides are not as large or as significant as many have assumed, and where there are differences, it is the older generations who have less trust in the world's institutions and sectors.

The primary criteria by which different generations judge sectors and institutions are identical, and on key issues like the importance of the environment, there is nothing to separate the generations. Across the four generations the direction of travel of trust in sectors and institutions is the same. Upwards for most, down for tech.

# 5. The Page Society Survey of Chief Communications Officers *(12 January 2023)*

**TL;DR:** A global survey of chief communications officers sees economic uncertainty (by a considerable margin), employee challenges, geopolitical risks, and trust and division top the list of the greatest business risks for 2023. Inflation, recession and possible layoffs – in parallel with attracting/retaining top talent, employee engagement and the future of work – are viewed as particular risks. These are accompanied by the rise of China, energy policy/security, military conflict and rising nationalism/protectionism – with questions of trust in business/the government/media, political polarisation, racism/DE&I and misinformation also front of mind.

By contrast, the continued rise of stakeholder capitalism and ESG easily lead the pack in terms of opportunities – most notably in terms of the stakeholder value model, energy transition, leadership societal issues and the alignment of values and purpose. Other key opportunities centre on a continued focus on employees and culture, and enterprise transformation.

The Arthur W. Page Society (known as Page) describes itself as *“the world’s leading professional association for senior public relations and corporate communications executives and educators”* committed to helping its members *“to become stronger leaders, learn both with and from their peers around the world, develop their teams and enrich and strengthen the profession.”*

Page conducted a [global survey](#) among 56 chief communications officers between 12 December

2022 and 9 January 2023. Of the respondents, 67% were in North America, 24% in Europe, 7% in APAC and 2% in the Middle East.

The survey sought their unique perspective on business risks and opportunities as we begin 2023 and the advice they feel every CEO should hear right now. The findings of *A Distinct View* were launched at an [event](#) during the World Economic Forum meeting in Davos.

The short, focused survey started by exploring CCOs' views of the top business risks in 2023 and the results are summarised in the first figure below:



The study then went on to explore the key opportunities for business in the coming year, with the following results:



In a [blog](#) summarising the findings, Page concluded that the key lessons for professional communicators are:

**a. Stakeholder capitalism will become more imperative:** By far the top opportunity cited by CCO respondents (65% of them) was stakeholder capitalism, particularly leadership on ESG and sustainability and addressing climate change and the energy transition. “[The] ability to be a leader on sustainability and ESG matters in mitigating political and social risk,” one CCO

wrote. Others noted the opportunity for their enterprises to provide values-based leadership on societal and geopolitical issues.

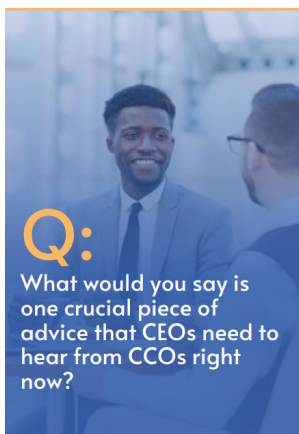
**b. It’s the economy, stupid:** As economists debate soft versus hard landings, 41% of CCO respondents cautioned that economic difficulty is the top risk, particularly the prospect of layoffs. “How to message caution without creating alarm or dampening morale is a thin line,” one CCO said.

**c. The talent war will rage on:** The second-ranked risk was employee issues, mentioned by 32%, and an equal percentage listed employees and culture as an area of opportunity. Attracting and retaining top talent is critical in a market where there are nearly two jobs for every applicant. The pandemic has irrevocably changed the work experience and, along with it, employees' expectations of where, how and when they do their job. CCOs are leaders on corporate culture and employee engagement, and are now increasingly focused on "employer brand" as an expression of the differentiated experience of working for their company.

**d. Global stability is precarious:** Thirty per cent of CCOs listed geopolitical risks as their top concern, citing China, energy security, military conflict and growing nationalist/protectionist agendas. At the same time, 25% discussed waning trust in business, government and media, political polarisation, racism and misinformation, signalling the challenges of earning and keeping trust in an increasingly divided society.

**Finally, the survey asked respondents to provide verbatim views on the one crucial piece of advice CEOs need to hear from CCOs at the moment. Here are the key quotes:**

## CCOs Words of Advice for CEOs in 2023



"There isn't a way of playing it safe anymore. Polarization means you have to choose, intentionally, which reputation risks you take on and embrace...There isn't a way of avoiding them. **Neutrality is a position now.**"

"Do the work before the s-t hits the fan. **Determine the values** and what is important to your stakeholders before jumping into every issue."

"As businesses prepare for increasingly challenging economic conditions, do not lose or abandon the focus that has been placed in recent years on **employee engagement, ESG and DE&I.**"

"Expect your CCO to be a **confident contrarian** whose voice and counsel are pursued and protected."

"Continue to talk about **the importance of mental health** and to openly offer support and resources."

"For corporations to be authentic, **corporate culture** (how things get done in organizations) needs investment."

"Focus on your company's unique value proposition and be specific about how it **makes the world a better place.**"

## 6.

# Conference Board C-Suite Outlook 2023

(12 January 2023)

**TL;DR:** With the global economy on a clear downward trend, CEOs and C-suite executives see the global economic downturn and regional recessions, inflation, continued disruptions from the pandemic (in Asia) – together with global geopolitical instability, supply chain issues, and labour shortages – as the highest-impact events set to challenge their organisation in 2023 this year. CEOs are generally more pessimistic than the rest of the C-suite team about organisations' level of preparedness to handle a major crisis, with levels of preparedness for crises related to cybersecurity, pandemics, recession and financial instability all far from stellar.

In response, they are focusing on driving revenue and profit growth through digital transformations and business model innovations while finding and keeping the talent needed to do so and seeking to keep costs down. Stakeholder capitalism, ESG priorities and climate change figure strongly in executives' thinking, with the building of stronger cultures of resilience, innovation, employee centricity and inclusiveness also figuring strongly.

In early January, the [Conference Board](#) released its C-Suite Outlook 2023, entitled: [On the Edge: Driving Growth and Mitigating Risk Amid Extreme Volatility](#). The survey was conducted between mid-November and mid-December 2022, with 1,131 C-suite executives, including 670 CEOs across the globe, responding.

The Conference Board is a non-profit business membership and research group. Founded in 1916 and headquartered in New York, it counts over 1,000 public and private corporations and other organisations as members across 60 countries. Its mission is to be “a trusted source of insights to help our members anticipate ‘what’s ahead’, improve their performance, and better serve society.”

**In headline summary**, the survey found that the global economic downturn and regional recessions, inflation, continued disruptions from the pandemic (in Asia), global geopolitical instability, supply chain issues, and labour shortages are the high-impact events that CEOs and C-suite executives see as challenging their organisations this year. In response, they are focusing on driving revenue and profit growth through digital transformations and business model innovations while finding and keeping the talent to make it all happen even as they look to keep costs down.



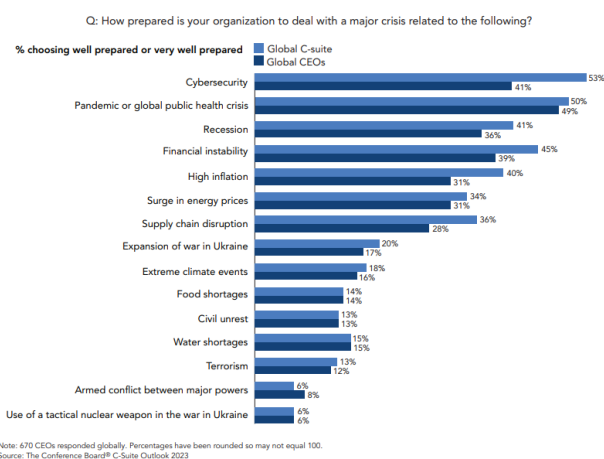
Respondents' high and low impact, and high and low focus areas are summarised in the first figure below. As highlighted in [an analysis of the report by Forbes](#), CEOs are generally more pessimistic than the rest of the C-suite team about organisations' ability to handle a major crisis (see the second figure below).

### Commenting on this central finding of the report, Forbes notes:

*“A basic rule for successfully managing corporate crisis situations is to plan and prepare for them. Unfortunately, most surveyed CEOs don't think their organizations are prepared to deal with a major crisis. Less than half (49%) said they are ready for a pandemic or global health crisis; 41% are prepared for cybersecurity crises; and 39% have planned for financial instability.”*

### On this core topic of risk and crisis preparedness, the report itself concludes:

*“With some foresight and investment, the impact of crippling disruptions and grey swans can be minimized by reducing risk exposure and taking preventive measures. Recent years have shown that organizations can learn to deal with a global crisis and can improve their readiness, even in one short year. The key to preparing for the next crisis lies in developing processes to model possible events and to proactively build contingency plans.”*



### Within this overall picture, the report draws attention to a range of nine key dynamics:

**a. Economic outlook:** The global economy is on a downward trend, weakened by high inflation, tighter monetary policy, tight labour markets, mild recessions in several economies, weakness in China's growth, and pandemic-driven economic scarring. CEOs are looking to innovation, technology and talent to ensure growth for their business over the next two to three years.

A global recession is not the report's base forecast, and it anticipates real GDP growth of 2.1% in 2023 (if achieved, the weakest growth rate since 2001 outside of global recession years 2009 and 2020). Regional recessions are highly likely in the US, Europe and some of the largest

Latin American economies. Russia and Ukraine may remain in recession longer.

**b. External impacts:** Overall, CEOs see economic downturn/recession, inflation, the effects of COVID-19, geopolitical instability, supply chain disruptions and labour shortages as the major disruptors to their business operations in 2023. There is little consensus among CEOs on when their regions are likely to achieve faster GDP growth. Generally, CEOs expect economic weakness to last through the end of 2023 or to mid-2024 in the regions where they operate. For CEOs in the US and Europe, COVID-19 disruptions are mostly in the rearview mirror, but concern over the pandemic's impacts remains strong among CEOs in China. Concern over the impact of higher borrowing costs, barely on the CEO radar a year earlier, has risen considerably globally.

**c. Internal focus and recession responses:**

Even while CEOs globally face slower growth and regional recession risks, concerns about labour shortages and talent retention persist, underscoring how the current global slowdown and expected regional recessions may be different to previous ones. Enduringly tight labour markets, higher wage and benefit costs, lingering pandemic impacts on labour force participation, skills mismatches and strict immigration/migration policies are all seen as challenges.

**d. Geopolitical risks and the war in**

**Ukraine:** More CEOs expect geopolitical instability (including US/China tensions) to have an impact on their businesses in 2023 compared with the previous year. While concern about rising authoritarianism has receded globally, declining trust in government is rising as a concern for CEOs globally.

Beyond Europe, CEOs do not list the war in Ukraine among the top five events likely to have a significant impact on their operations in 2023. On the impact of the war itself, the ranking of the top three impacts is consistent across all countries and regions in our survey: intensifying cyberattacks outside the Ukrainian war theatre, increasing economic sanctions, and worsening global food and energy crises.

**e. Human capital management:** Many companies continue to deal with the pandemic effects and erosion of the employee experience, manifesting in greater employee burnout, declining self-reported levels of mental health, lower engagement, and a rise in sick days and workplace safety incidents. To combat this, CEOs are focused on building stronger cultures of resilience, innovation, employee centricity, and inclusiveness to meet their objectives to attract and retain talent. There appears to be an emerging equilibrium around remote work in economies that more rapidly moved to hybrid models during the pandemic, with just 5% of CEOs in the US and Europe looking to expand it and about 4% looking to reduce it.

**f. ESG priorities, climate change, and renewable energy:** Stakeholder capitalism appears to be on a firm footing in many companies, with customers and employees ranking ahead of investors in stakeholder prioritisation for CEOs in most countries and regions. Neither an economic slowdown nor an environmental, social & governance (ESG) backlash will affect ESG spending this year. Most CEOs cite economic opportunity, equality, and security as their organisation's number one social priority.

Almost half of CEOs globally say climate change is already having a significant impact on their businesses now or will in the next one to five years. Despite their concerns about high transition costs, almost half of CEOs globally and 59% of C-suite executives say the transition to renewable energy will be significantly positive for their organisation.

**g. Supply chain:** Although CEOs globally cite supply chain disruptions as a top five high-impact issue for 2023, it has fallen in intensity for CEOs in both the US and Europe since 2022. Globally, 34% of CEOs have no plans to alter supply chains over the next 3–5 years.

Those taking actions plan to further localise supply sourcing, increase the use of technologies such as AI and blockchain to improve performance, become more transparent with vendors while applying lessons learned from recent disruptions, shorten supply chains and diversify global production networks.

**h. Marketing & communications:** Globally, CEOs place marketing and promotions in their top three investment areas to ensure medium-term growth for their organisations. About two-thirds of CEOs (65%) say they are planning to increase budgets for customer service and experience and new customer acquisition over the next 24 months, with 58% increasing budget for new product/service development.

**i. Crisis preparedness – modelling and contingency planning:** CEOs are generally more pessimistic than the rest of the C-suite team about organisations' level of preparedness to handle a major crisis, such as a pandemic, recession, financial instability or a surge in energy prices. Generally, business leaders are more prepared for events that they have experienced recently (e.g. recession, pandemic, financial crisis) compared with events they likely have not had to lead through (e.g. extreme violence, nuclear war, major food or water shortages).

The report stresses that it is hard to predict what new crises may emerge, either natural or man-made. Businesses need to be prepared for persistent economic weakness, and plan ahead for the possibility of a worse-than-expected operating landscape in 2023. C-suite executives are focusing on digital and cultural transformation, talent and, ultimately, growth as the best way forward in a risk-plagued business environment.

7.

# Edelman Trust Barometer 2023

(18 January 2023)

**TL;DR: A widespread lack of faith in societal institutions – triggered by economic anxiety, disinformation, mass-class divide and a failure of leadership – lies behind a weakening of the social fabric amid deepening divisions. Over half of respondents globally say that their countries are more divided today than in the past. People fear that if divisions are not addressed, the most worrying ramifications will include worsening prejudice and discrimination, slower economic development, violence in the streets, an inability to address societal issues and suffering financially at a personal level.**

**With business now the only trusted institution, the corporate sector is under pressure to step into the void left by governments and the media, with CEOs expected to improve economic optimism and hold divisive forces accountable. This includes providing robust leadership, collaboration with governments and advocating for the truth – with clear, measurable ESG and DE&I efforts a fundamental part of business strategy.**

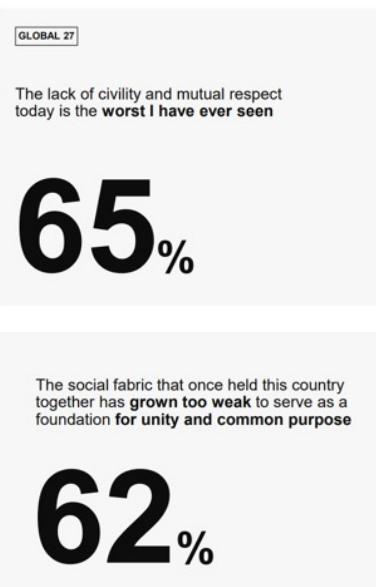
The [2023 Edelman Trust Barometer](#) is the firm's 23rd annual trust and credibility survey. Research produced by the Edelman Trust Institute consisted of 30-minute online interviews conducted among 32,000 respondents across 28 countries between 1 and 28 November 2022.

Overall, Edelman's research points to a **weakening of the social fabric amid deepening divisions**. A lack of faith in societal institutions triggered by economic anxiety, disinformation, mass class divide, and a failure of leadership has left the world deeply and dangerously polarised. Globally, 53% of survey respondents say that their countries are more divided today than in the past.

If divisions are not addressed, respondents are particularly scared of worsening prejudice and discrimination, slower economic development, violence in the streets, an inability to address societal issues and suffering financially at a personal level.

## Social Fabric Weakens

Percent who say



**Within these headline findings, key themes emerging include:**

**a. Economic anxieties:** Economic optimism is collapsing around the world, with 24 of 28 countries seeing all-time lows in the number of people who think their families will be better off in five years. Personal economic fears like job losses (89% of respondents) and inflation (74%) outstrip existential societal fears such as climate change (76%) and food shortages (67%).

**b. Institutional imbalance:** Business is now the sole institution seen as competent and ethical, while government is viewed as unethical and incompetent. The media are as likely to be “a source of false or misleading information” as “a reliable source of trustworthy information.” Business is under pressure to step into the void left by governments and the media, with CEOs expected to improve economic optimism and hold

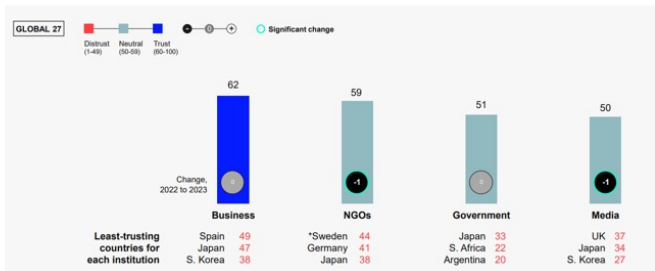
divisive forces accountable. This is particularly the case on issues like treatment of employees, climate change, discrimination, the wealth gap and immigration.

**c. Mass class divide:** People in the top quartile of income live in a different trust reality than those in the bottom quartile, with 20+ point gaps in Thailand, the United States and Saudi Arabia. The profoundly more positive view of institutions among those in the top quartile of income than those in the bottom quartile could potentially lead to a loss of shared identity and national purpose.

**d. The battle for truth:** A shared media environment has given way to echo chambers, making it harder to collaboratively solve problems. Media are not trusted, with especially low trust in social media.

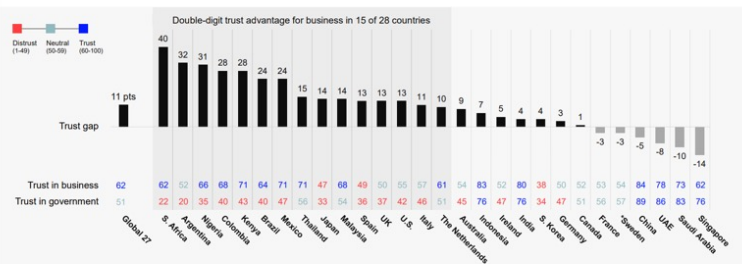
**Business Only Trusted Institution**

Percent trust



**Institutions Out of Balance: Government Far Less Trusted than Business**

Percent trust, and the percentage-point difference between trust in business vs government



**In rising to the challenges – and meeting the opportunities – suggested by this year’s survey data, Edelman suggests four key steps businesses should take:**

**a. Business must continue to lead:** As the most trusted institution, business holds the mantle of greater expectation and responsibility. Leverage your comparative advantage to inform debate and deliver solutions across climate, diversity and inclusion, and skill training.

**b. Collaborate with government:** The best results come when business and government work together, not independently. Build consensus and collaborate on policies and standards to deliver results that push us toward a more just, secure and thriving society.

**c. Restore economic optimism:** A grim economic view is both a driver and outcome of polarisation. Invest in fair compensation, training and local communities to address the mass-class divide and the cycle of polarisation.

**d. Advocate for truth:** Business has an essential role to play in the information ecosystem. Be a source of reliable information, promote civil discourse, and hold false information sources accountable through corrective messaging, reinvestment, and other action.

**More specifically, in a blog post published to coincide with the Trust Barometer's Davos launch, Richard Edelman called on business leaders to:**

**a. Get to a simple measure of ESG, so you can demonstrate your societal impact:**

At present, there are a dizzying 180 different approaches. A simple and single standard which is universally accepted will be much easier to defend when challenged by political or vested interests. KPIs (key performance indicators) that show Business is indeed keeping its word on ESG goals while building support for innovation would allow companies to calculate their progress and respond to financial institutions evaluating potential investments.

**b. Make Diversity, Equity, and Inclusion a fundamental part of global business strategy:**

DE&I must live beyond our largest companies. Use the supply chain to insist on diversity at medium and small businesses as has been done in sustainability. Defy the usual excuse of recession, keep pushing for more diverse boards of directors and top management teams and make religion an equal third leg along with race and gender.

**c. Hold divisive forces accountable:** Pull advertising money from media platforms that spread disinformation. Defend facts by showing the science behind innovation and publishing on your own platforms. Stop talking to media that push conspiracy theories. Stand up to politicians who may try to bully you.

**d. Work with and not against government:**

That goes especially for policies that raise living standards, offer opportunities for continuing education/reskilling and improve public safety. That also means partnership with government on a broader set of issues including privacy and security, geopolitics, plus proper supervision of new markets such as crypto.

**The agency has also produced a [2023 Edelman Trust Barometer Top 10 guide summarising the overall findings and their implications in 10 points.](#)**



8.

## Where next?

# Ten practical recommendations

**As I outlined at the start of this document, there are no overnight answers or quick fixes for organisations trying to navigate today's complex trust and risk environment. However, building on the conclusions outlined on pages 4 and 5 – and drawing on the analysis above – here are ten specific, practical approaches leaders can take in charting their course:**

**i. Trust is as much about relationships as reputation:** While it's natural for leaders to focus on reputation, carefully nurturing the relationships on which a trusted reputation depends is every bit as important – if not more so. After all, public relations is ultimately about what it says on the tin – the development of lasting, mutually beneficial relationships. Similarly, relational risk is just as critical as overall reputational jeopardy when it comes to risk management. **As you work to foster trust, are you focusing on building and maintaining positive, lasting relationships rather than obsessing with reputation alone?**

**ii. Crisis as a turning point, not a disaster:** In managing critical risks, it is common to take the word “crisis” to mean a catastrophic end point. In reality, its true definition is “a time when a difficult or important decision must be made” [Oxford Languages], stemming from an ancient Greek term meaning “the turning point of a disease when an important change takes place, indicating either recovery or death.” In reality, crises can be as rich in opportunity as they are in risk, if properly handled. **Does your crisis preparedness consider the potential positives of critical situations as well as the downside risks, including a proper “lessons learned” review process?**

**iii. Risk management and organisational preparedness is a team sport:** There is no such thing as a “PR crisis”. Reputational crises stem from some combination of operational, structural, governance, leadership, behavioural and cultural factors. As a result, the process of crisis planning and resilience building must involve all key business functions. **Is your approach to reputation risk management and preparedness a genuine whole-team exercise, across the entire organisation?**

**iv. Real-world scenarios, not paper risks:** Too often, reputation risk management is a paper exercise, dominated by risk registers and risk appetite statements. As important as those are, they are of limited value unless translated into properly thought through reputational risk scenarios, with specific plans for each – inherently a creative process. **Are you systematically and imaginatively preparing for potential real-world scenarios, not just mapping paper risks?**

**v. Organisational resilience depends on human preparedness:** Systems, processes and infrastructure are critical to reputational resilience. However, unless they are accompanied by a central focus on the how prepared your people are – through training and stress testing – they will remain just systems and processes. **Is the development of genuine human preparedness a centrepiece of your approach to risk management and resilience building?**



**vi. You are defined not by the behaviours you promote but by those you tolerate:** If you are looking for a common denominator between the reputational crises covered in [PRovoke Media's annual crisis review](#), it is the glaring “say-do” gaps between what an organisation claims it values and how it actually behaves. Whether it is individual misdemeanours or questionable corporate behaviour, any mismatch between claimed values and actual behaviour can fundamentally damage your reputation. **What steps are you taking – operationally and culturally – to avoid damaging say-do gaps that can erode trust?**

**vii. Listen first and then lead:** Just as the human preparedness of your teams depends on understanding their needs, wants and values, external relationships hinge on developing a deep, detailed understanding of your key audiences. Constant social and audience listening should form a fundamental part of relationship-building efforts and the management of relational risk. **Do you have the listening systems, processes and mindset in place to understand your key audiences' human needs, wants, values and beliefs – internally and externally?**

**viii. Trust is everything, everywhere, all at once:** While the behaviour of your CEO, C-suite and Board are a key driver of trust, they are by no means the only ones. Repeated research shows that the leadership on which trust depends needs to be delivered at every level of the organisation and at every touchpoint with your key audiences. **Are you considering trust and delivering leadership at every level of the organisation?**

**ix. Speak up fearlessly, but thoughtfully:** Despite the obvious hunger for businesses to speak up on critical issues of the day, the question of say-do gaps means the choice to express a standpoint is not risk-free. In selecting which socio-political issues are appropriate to address, it is crucial to consider not only your reputational and brand strategy but also the nature of your underlying business, mission and stated values. **As part of your trust armoury, do you have a clear process for qualifying which issues are right to address publicly – whether proactively or reactively – in a way that avoids creating damaging dissonance?**

**x. No plan of action survives first contact with the enemy:** Even with the right systems, processes, infrastructure and training, human preparedness is only complete when your team has been properly stress tested together. With impressive crisis simulation platforms like Polpeo now available, a live-fire crisis simulation is an essential element in any risk management and crisis preparedness plan. **Have you put your full integrated team through the pressure of a real-time crisis simulation to assess strengths and areas for development?**

**Taken together with the ten conclusions outlined at the start of this report, these ten practical steps hold the key to mitigating risk, enhancing preparedness, developing resilience and building sustained trust.**



# ABOUT ROD CARTWRIGHT

Rod Cartwright is the principal of [Rod Cartwright Consulting](https://www.rodcartwrightconsulting.com), a strategic communication consultancy which works with in-house teams and agencies to enhance their human preparedness, organisational resilience and business performance. His focus is on issues management & crisis communication, leadership communication & executive preparedness, thought leadership & corporate reputation, and strategic problem-solving & facilitation.

Over a 25-year global PR agency career, Rod worked for market leaders including Ketchum (as Global Corporate Practice Director), Text100/ Archetype (EMEA Regional Director), Hill & Knowlton Strategies (Director) and GCI (Director).

He is a Visiting Fellow at Cardiff University's renowned Centre for Media & Public Communication, Special Advisor to the CIPR's Crisis Communications Network and Chair of the EACD's Crisis & Risk Communication Expert Group. A PRCA Fellow, he was also Deputy Chair of the PRCA's Global COVID-19 Taskforce and sits on the Steering Committee of the Ukraine Communications Support Network.

To discuss this report and its practical implications for your organisation or your clients, you can contact Rod as follows:



[www.rodcartwrightconsulting.com](https://www.rodcartwrightconsulting.com)



<https://www.linkedin.com/in/rod-cartwright-6771384/>



@RodCartwright



[rod@rodcartwrightconsulting.com](mailto:rod@rodcartwrightconsulting.com)