



Corporate Affairs in a World Without Narrative Slack

How real-time scrutiny is reshaping reputation, risk and decision-making

Foreword



Welcome to FTI's deep-dive into the changing dynamics of reputation management. We have combined quantitative feedback from corporate affairs and reputation leaders at some of the nation's biggest companies with in-depth interviews with Board-level leaders, and it is clear that communications has entered a new operating environment. The space between what organisations say and what they do has narrowed sharply. In some cases, it has disappeared entirely.

Employees, regulators, policymakers, investors and activists are quicker off the mark than ever, propelled by social media and AI, and increasingly treat public statements not as signals of intent or ambition, but as commitments. This marks a fundamental shift in how reputation is formed. Purposeful ambition alone is no longer enough. Alignment matters more. Judgement matters more. And the cost of getting it wrong is more keenly felt.

At the same time, reputation is becoming harder to control. External forces, geopolitics, regulation, mis- and disinformation and media dynamics set the context in which corporates are judged, often beyond the reach of traditional strategic communications planning or messaging frameworks built on assumptions of predictability and stability.

None of this reduces the importance of corporate affairs. It elevates it. The function's value now sits at the heart of corporate strategy development, helping organisations decide what they are ready to stand behind, where they are prepared to be held to account and which risks they are willing to carry. We believe corporate affairs in 2026 will need to operate without slack.

Ant Moore

Head of Corporate Reputation

Summary



1. There is no longer any room between what companies say and what they do. The era of narrative slack is over.

Audiences now have the will and means to check statements against actions almost immediately. When the two don't line up, the reaction is fast and often unforgiving.



2. Reputation is harder to control than ever. That is why corporate affairs now matters more than ever before.

Much of what shapes reputation now sits outside the company's control. That makes judgement about what to say, and when, more important than ever.



3. The biggest reputational risks sit where companies are pushing hardest. Ambition is attracting greater scrutiny than has been seen before.

Topics such as technology, AI and sustainability alongside corporate behaviours and censorship, are under the brightest spotlight. When claims get ahead of reality, trust inside the organisation and with regulators and policymakers is often the first casualty.



4. Corporate affairs is carrying unnecessary risk. Too often, it is brought in after the decision.

Boards expect the function to help manage trust and exposure. Many teams are still asked to respond once direction is set, rather than help shape the choice.



5. AI is helping teams work faster. It is not yet changing their influence.

AI is improving monitoring, drafting and response. It has not changed when corporate affairs is involved or how much weight its judgement carries.



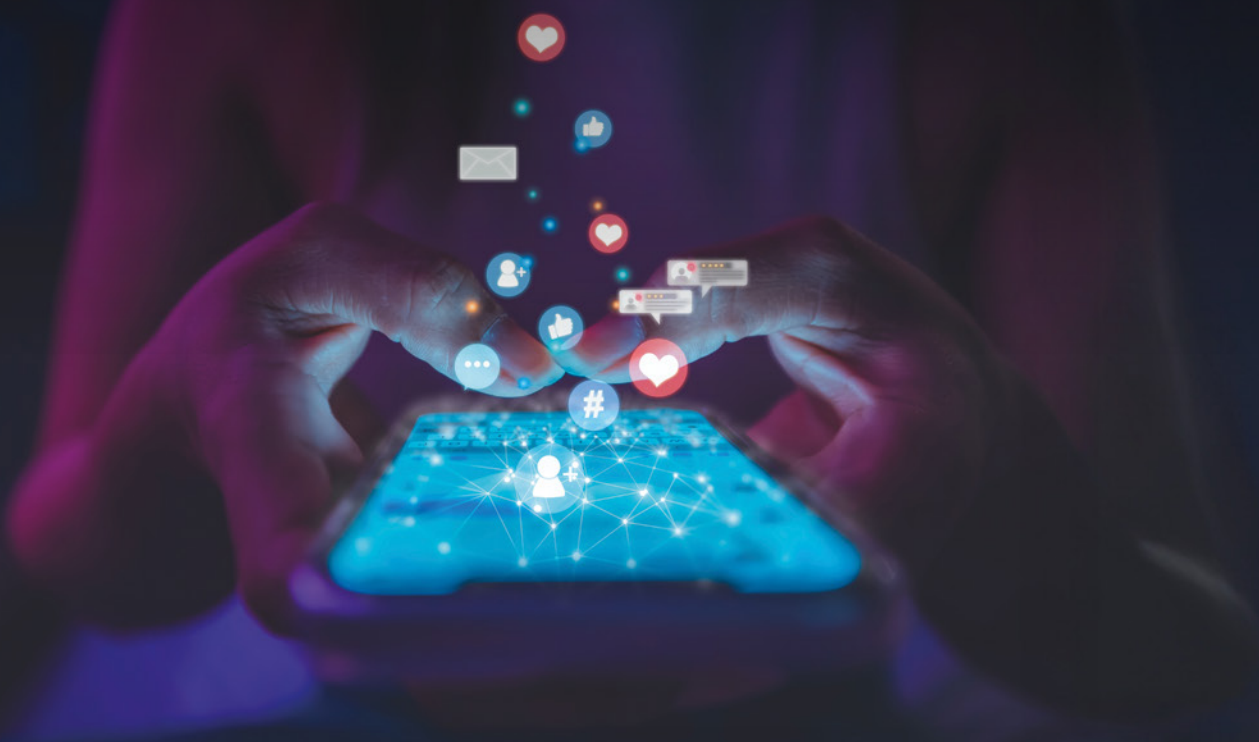
6. The role of corporate affairs has expanded rapidly. How it works in practice has not always kept pace.

The function now spans reputation, regulation, investors, employees and licence to operate. In many organisations, structure and ways of working have not yet caught up with those expectations.

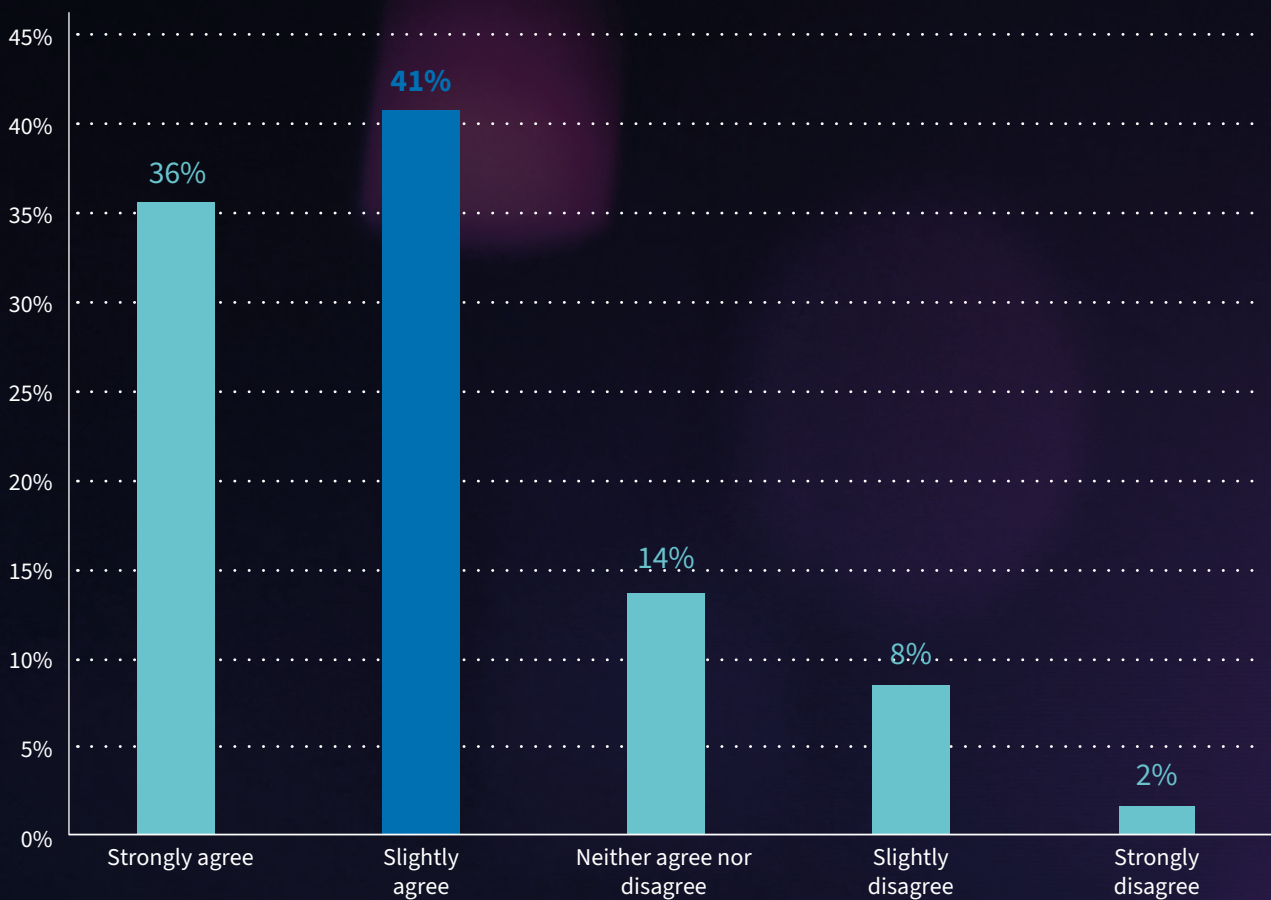
Narrative slack has now disappeared. The gap between what companies say and do has collapsed

Corporate affairs and reputation leaders are increasingly being forced to operate without margin for error. Three quarters of respondents (76%) believe audiences now test corporate statements against actions almost immediately and punish any gap quickly.

Statements about strategy, technology, AI, sustainability or values are no longer treated as expressions of intent or ambition. They are treated as commitments and assessed immediately against what the company is actually doing.



Stakeholders increasingly test our company's statements against our actions in real time, and any gap is punished quickly



When narratives run ahead of reality, the consequences are felt quickly and widely. Internally, employees are often the first to notice when claims do not reflect their lived experience, leading to scepticism and disengagement. Externally, credibility with regulators, policymakers and other critical audiences can be undermined just as fast.

This helps explain why more than half of the companies surveyed (54%) say they now face internal or external backlash when narrative and action fall out of sync. What might once have been absorbed as optimism or a projection of ambition is now far more likely to be seen as inconsistency or even hypocrisy.



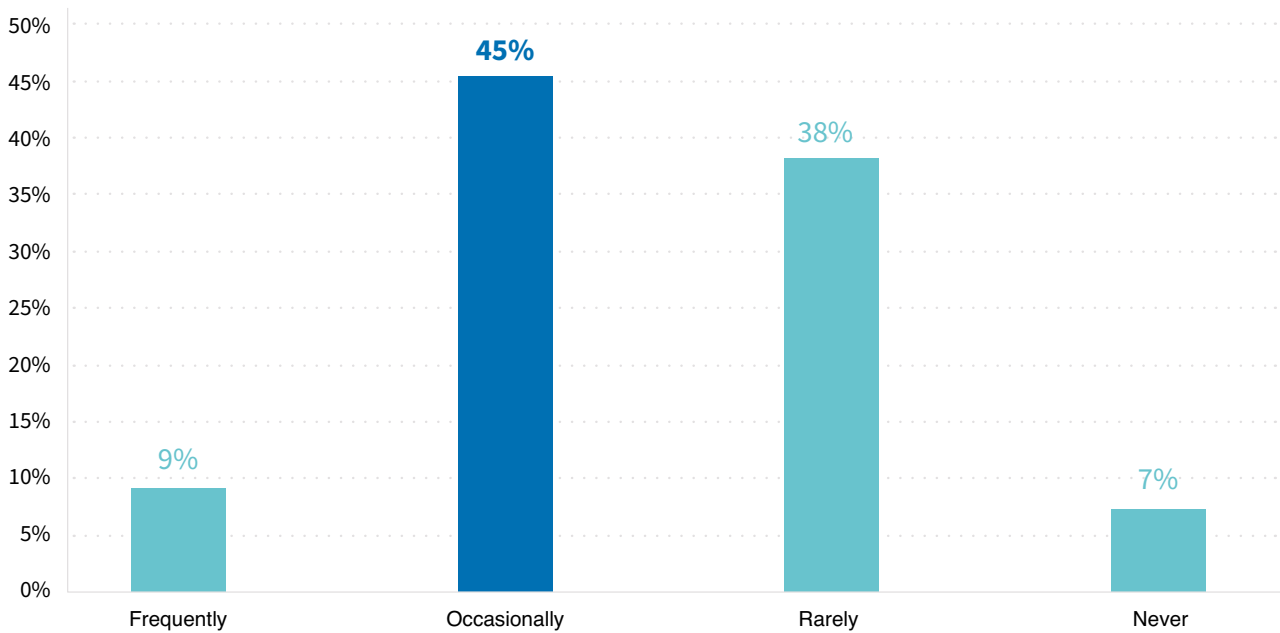
“External commitments must be lived internally. Employees see corporate narratives through everything they experience — leadership behaviour, organisational design, how change is managed, the skills they are asked to build and the messages they hear. When external commitments clash with workplace culture and daily reality, trust erodes fast. There shouldn’t be an internal vs. an external narrative: there should be one narrative that aligns leadership and reflects actual corporate decisions and actions.

Simply: what organisations say, needs to be reflected in what they do.”

Lucy Phillips

Head of People and Transformation

How often does your company face internal or external backlash for misalignment between narrative and action?



Narrative slack is not created by corporate affairs teams acting alone. It is a symptom of internal misalignment. When ambition outpaces delivery, when strategy is still forming, or when different parts of the business are moving at different speeds. As one board member we interviewed noted: “How you communicate is in your gift, but what you can safely say depends on whether the business is actually ready to stand behind it.”

The collapse of narrative slack fundamentally changes the operating model for corporate affairs. While on the one hand, having more informed and engaged stakeholders can be beneficial, it raises the bar on internal engagement, increases the need for early involvement in decision-making and places greater emphasis on judgement rather than amplification. As room for error disappears, the consequences of misalignment grow. In doing so, it reveals a second, even more challenging tension. Reputation is becoming harder to control at exactly the moment corporate affairs is being asked to take on greater responsibility for it.

Reputation is now harder to control than ever, which is exactly why corporate affairs matters more than ever

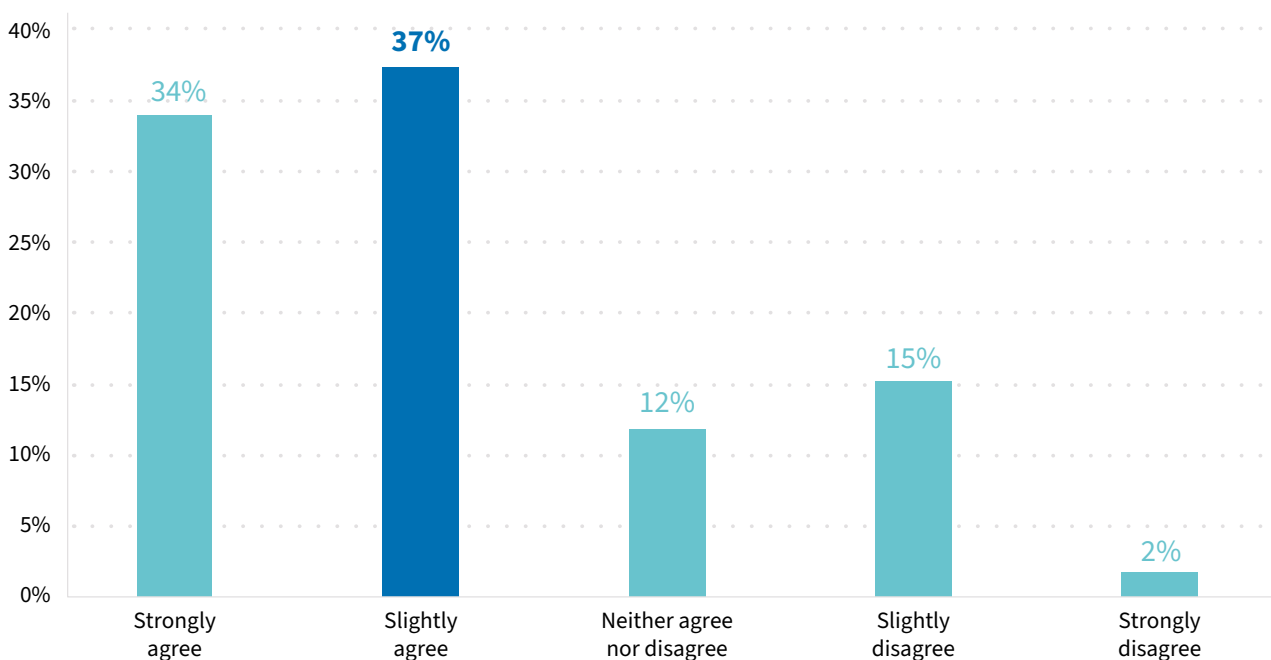
Corporate affairs leaders are confronting a difficult reality. For seven in ten, reputation is now being shaped largely outside their direct control. External forces such as geopolitics, regulatory intervention, activism, media dynamics and global events are increasingly determining how companies are judged, often at speed and at scale.



“Most reputation approaches were built for a world that moved more slowly. Today, risks emerge quickly and often from outside the business. As narrative slack disappears, plans have to keep up or trust is exposed.”

Damian Low
Strategy Lead

Reputation is increasingly being shaped by forces outside my function's direct control



Importantly, this loss of control does not mean a loss of relevance. In fact, it makes the role of corporate affairs more important now than has ever been. As reputation becomes harder to steer, the function's value lies less in controlling outcomes and more in exercising judgement. Corporate affairs now plays an elevated role, helping the business make disciplined choices about what it is ready to say, where it is prepared to be held to account and which risks it is willing to carry.

This is where corporate affairs leaders say their influence now sits. Even as they accept that reputation is increasingly shaped beyond their control, more than three quarters say they have clear sight of what they can influence to sustain credibility before commitments are made or expectations are set.



This points to a shift in how the role is understood. Corporate affairs is no longer the owner of reputation in the traditional sense. Instead, it is increasingly the function that tests ambition against reality, bringing strategy, delivery and communication closer together so that what the company says is something it can stand behind and ultimately deliver on.

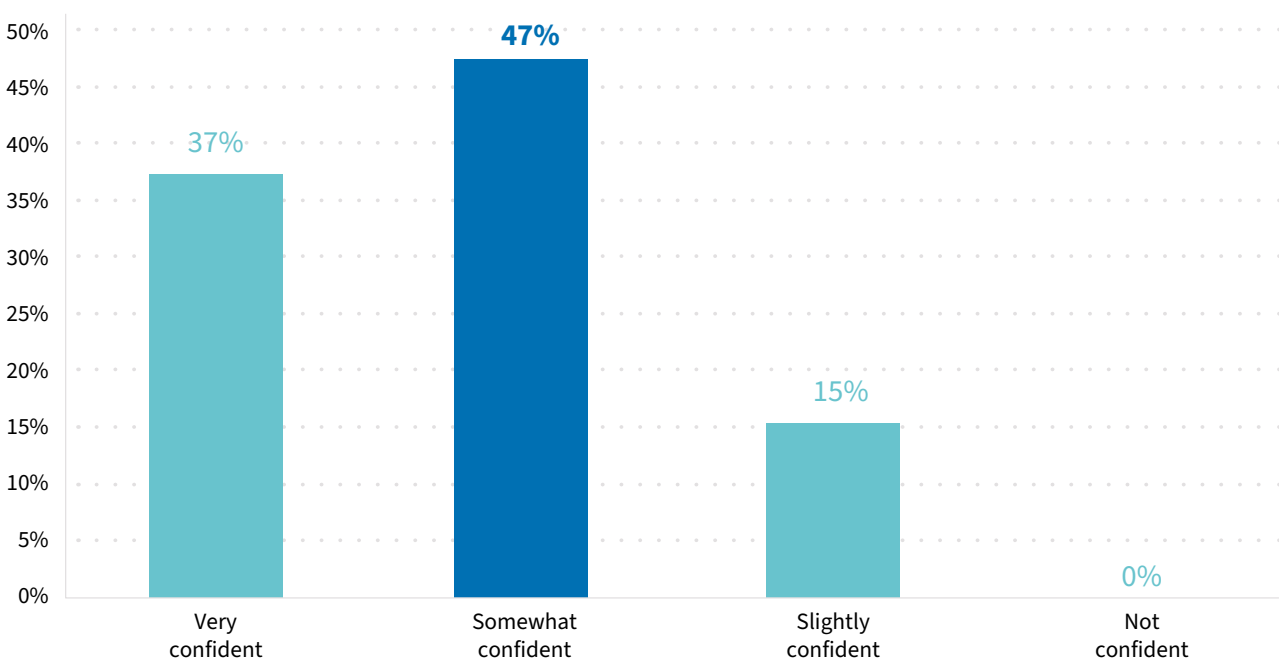
Board-level perspectives underline this shift. Board members interviewed described reputation not as something to be managed, but as something that must be protected through judgement, particularly in moments of strategic ambition or heightened risk. “99% of the time there is absolutely nothing you can do about it. How you communicate, however, is totally in your gift.”

Corporate affairs increasingly acts as an internal guardrail. It challenges leadership when ambition runs ahead of readiness, surfaces reputational risk early and ensures external commitments reflect what the organisation can realistically deliver. Where it is embedded early, it helps prevent exposure. Where it is not, it is left managing the consequences of decisions taken elsewhere.



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How confident are you that corporate affairs functions in your industry have the skills and resources to sustain credibility in a fragmented media and stakeholder environment?



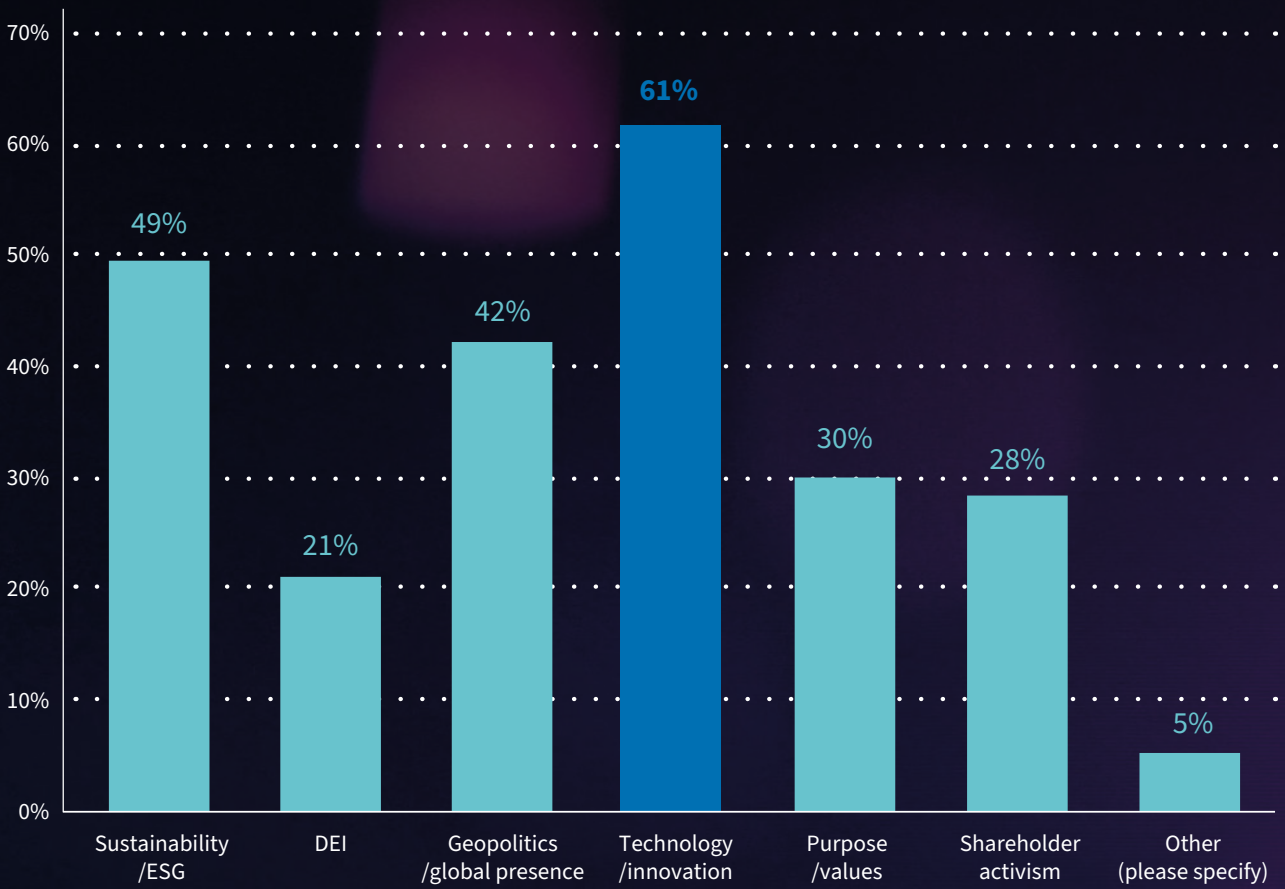
Ambition is outpacing reality, and that's where reputational risk now sits

The areas where companies are pushing hardest are also where reputational risk is most concentrated. Corporate affairs and reputation leaders consistently point to technology, AI and sustainability as the areas where narratives are most likely to run ahead of reality.

Six in ten (61%) say technology and innovation pose the greatest risk of narratives getting ahead of delivery, followed closely by sustainability and ESG commitments. These issues sit at the centre of growth strategies, investment stories and long-term positioning, and are therefore under intense scrutiny by investors, policymakers and the public.



Which of the following areas pose the greatest risk of your company's narratives getting ahead of reality?



These risks are particularly acute because of the speed at which claims are judged. In areas such as AI, claims about capability, readiness or responsible use are often interpreted as statements of fact, even when they are intended as ambition. Once made, those claims are difficult to prove or walk back from.

The consequences are often immediate. When narratives outpace delivery, internal and external threats amplify. Employee scepticism and disengagement emerge as one of the most common impacts, alongside reputational damage with regulators and policymakers. In other words, the risk is not confined to external perception alone; it affects internal trust and licence to operate at the same time.



“During the last three years we have seen transformational change in how organisations are articulating their value proposition, many of which are centred around AI. Yet at a time of rapid innovation and change, the discussion around an ‘AI bubble’ and return on investment is increasingly being spotlighted both internally and externally. The majority of leaders surveyed for our report are right to identify that technology and innovation pose the greatest risk of narratives getting ahead of themselves, making it imperative to build a position that stands the test of time.”

Ollie Pratt

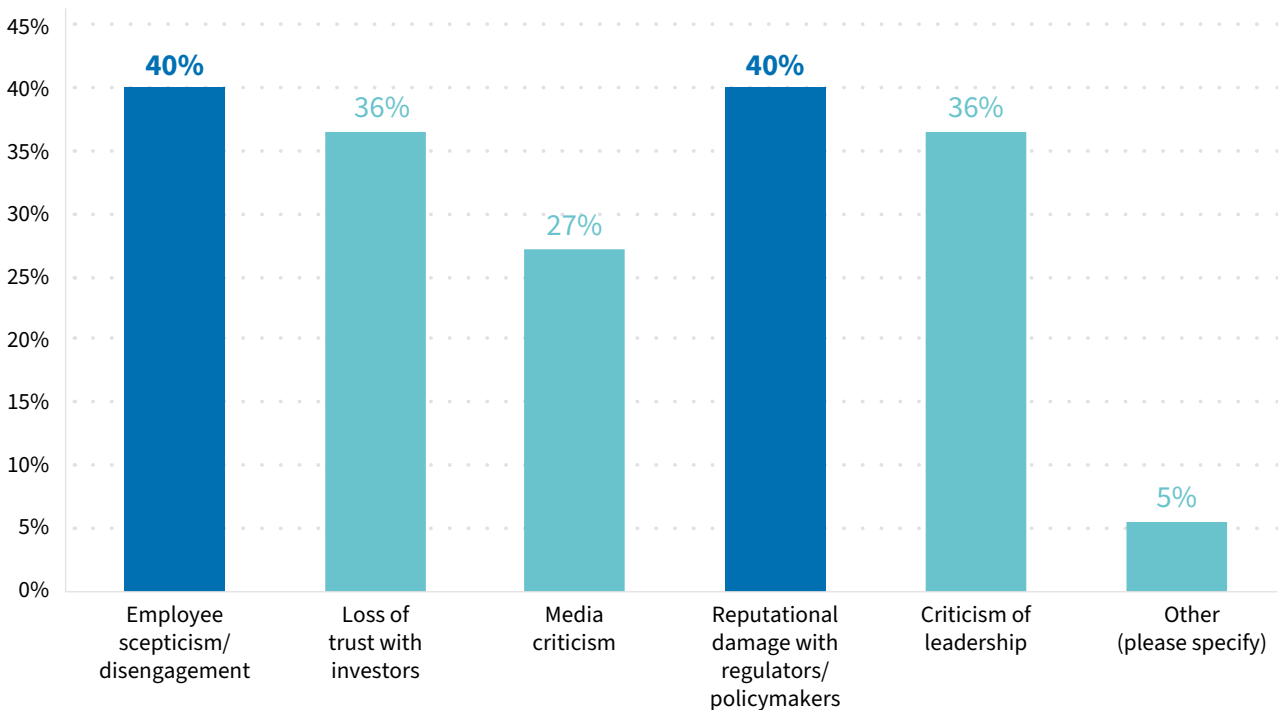
Senior Managing Director, Corporate Reputation

Board members were particularly direct on this point. Several expressed frustration at the gap between what organisations say about emerging technologies and what they are actually equipped to deliver, especially in relation to AI. As one board member put it: “I’m fed up hearing about the worries; the rate of implementation is shocking.”

This places corporate affairs leaders in an increasingly difficult position. They are expected to support ambitious narratives aligned with strategy, while also acting as a check on whether the organisation can deliver what it is claiming. Nowhere is this tension more visible than in AI, where pressure to demonstrate leadership often collides with internal capability gaps.

The risk is not that companies talk about these issues, but that they do so too early, too confidently or without sufficient grounding in delivery. As scrutiny intensifies, the cost of overstatement rises, and the margin for error continues to shrink.

In your experience, what are the most significant consequences when corporate narratives outpace internal delivery?



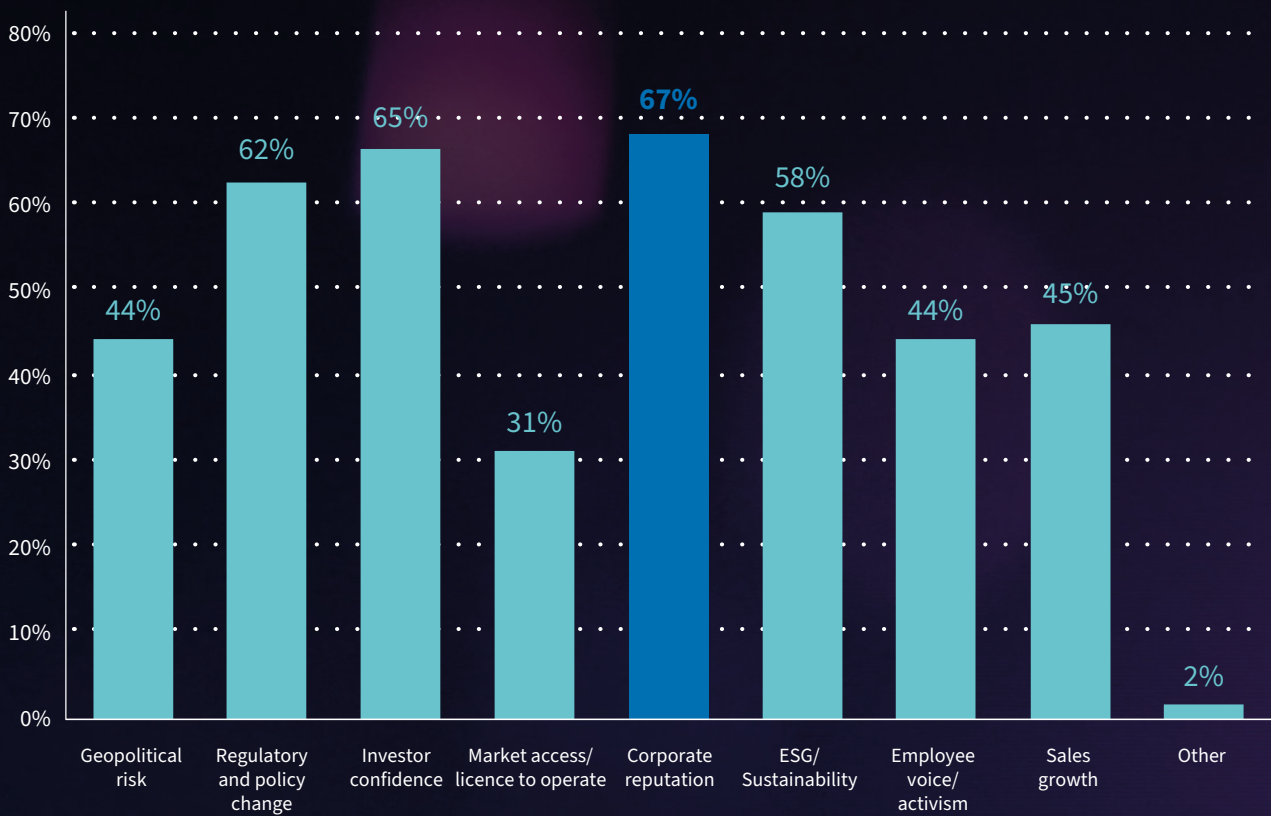
Corporate affairs carries growing risk, but influence can come too late

Corporate affairs is now expected to take responsibility for some of the most complex and fast-moving risks companies face, from reputation and trust to regulatory exposure, employee activism and market access in times of heightened geopolitical uncertainty.

Our research shows that boards expect corporate affairs to play a role across a wide range of critical business decisions. Leaders point to expectations on investor confidence (65%), regulatory and policy change (62%) and ESG and sustainability (58%), with nearly half also citing geopolitical risk and sales growth.



Which of the following issues do you believe are currently top of mind for your Board that your corporate affairs function should influence?





“Politics is increasingly central to corporate decision making – for positive and negative reasons. Our research shows that professionals responsible for safeguarding the reputation of their enterprise are robustly responding to the evolving geopolitical landscape; whether it be the increasing prominence of AI, cross border regulatory activity, tariffs or the vital need for growth, corporate affairs practitioners are proactively delivering messaging externally and intelligence provision internally for CEOs and boards, with their advisers a central part of that fast-changing work.”

Alex Deane

UK Head of Public Affairs

Yet while expectations have broadened, influence does not always arrive early enough to shape outcomes. Only half of leaders (51%) say their function very effectively influences executive decision-making, and one in five say they lack the mandate to drive commercial or business outcomes.

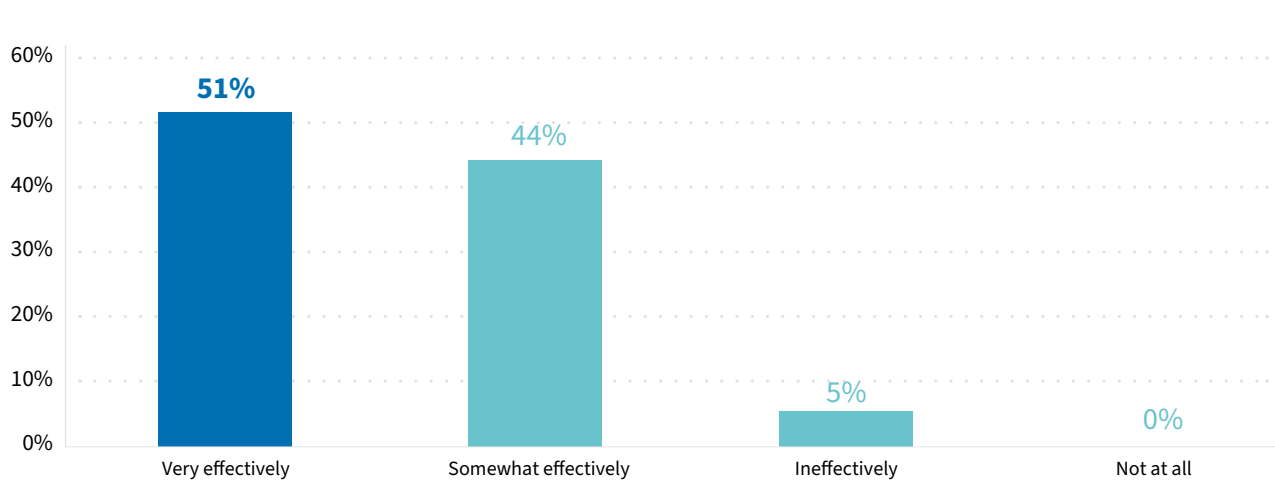
Corporate affairs now needs to have a voice when investment decisions are made, priorities are set and commitments are defined. When corporate affairs is brought in after these choices have already been taken, its role shifts from helping the business decide what it is ready to stand behind to managing the consequences of decisions made elsewhere.

Leaders pointed to structural factors that make early involvement harder. Executive committees have narrowed, decision-making has accelerated, and influence has become more concentrated across a smaller number of roles. At the same time, other functions from technology to HR and strategy now play a more prominent role in shaping business direction, intensifying competition for early involvement.

Board-level interviews reinforce this challenge. While boards recognise the importance of corporate affairs in managing trust and risk, they also acknowledge the function is not always embedded early enough in discussions where ambition, delivery and narrative first collide.

The result is a growing gap in timing and influence. In an environment where scrutiny is constant and narrative slack has disappeared, closing this gap by bringing corporate affairs into decisions earlier is now central to protecting reputation and long-term value.

How well does your corporate affairs function currently influence strategic decisions at ExCo level?



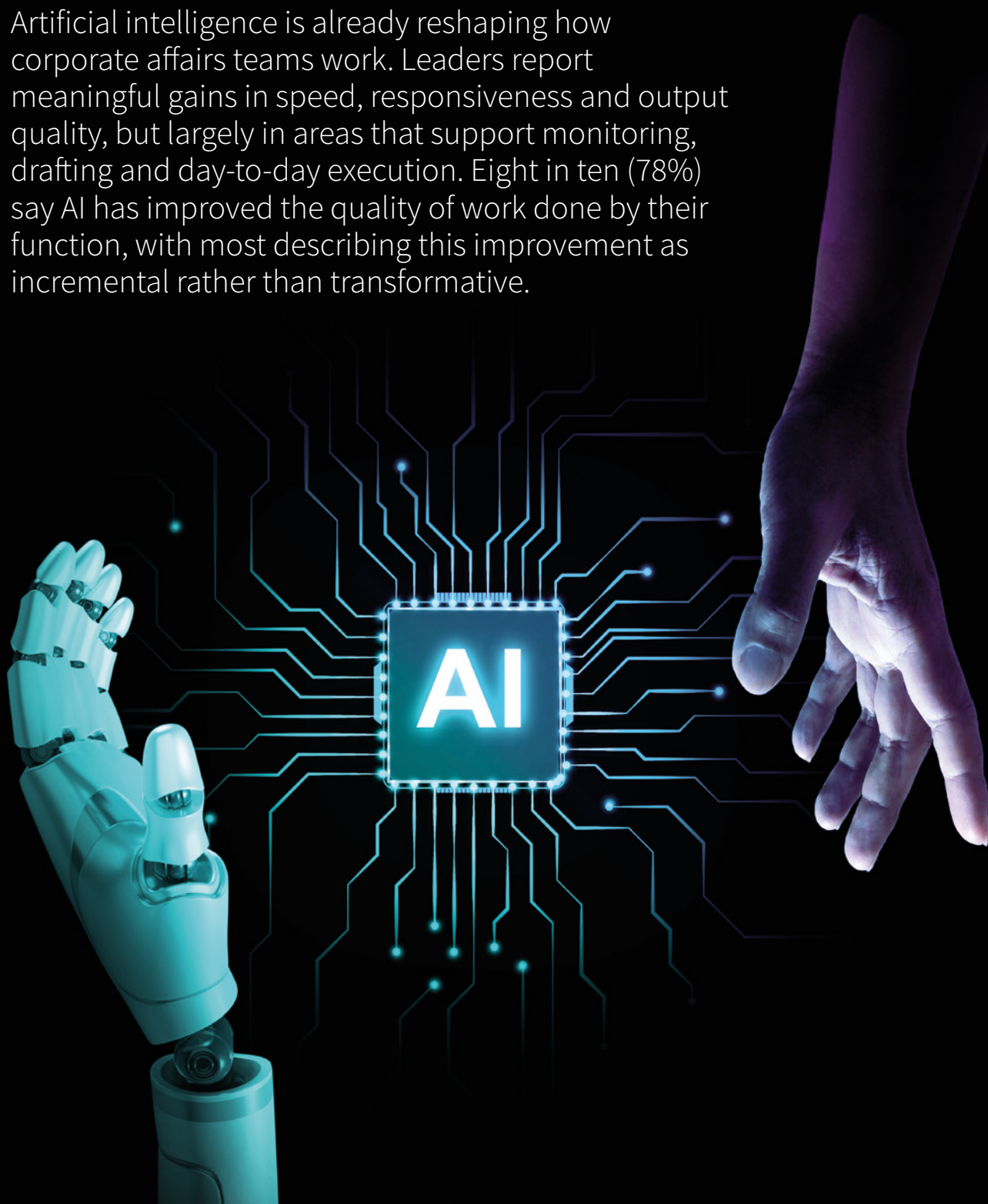
“Once the horse has bolted from the stable, a firm’s ability to protect and manage its reputation becomes challenging. While communications preparation in fast-moving situations or black swan events can be a luxury, the embedded culture of risk management within corporate affairs teams means they are one step ahead, anticipating the various scenarios and what this means for stakeholder engagement. What a firm says today isn’t tomorrow’s fish and chips paper, it has a profound impact on a firm’s reputation and licence to operate for years to come – having Corporate Affairs around the table from the outset must become non-negotiable for companies.”

Daisy Hall

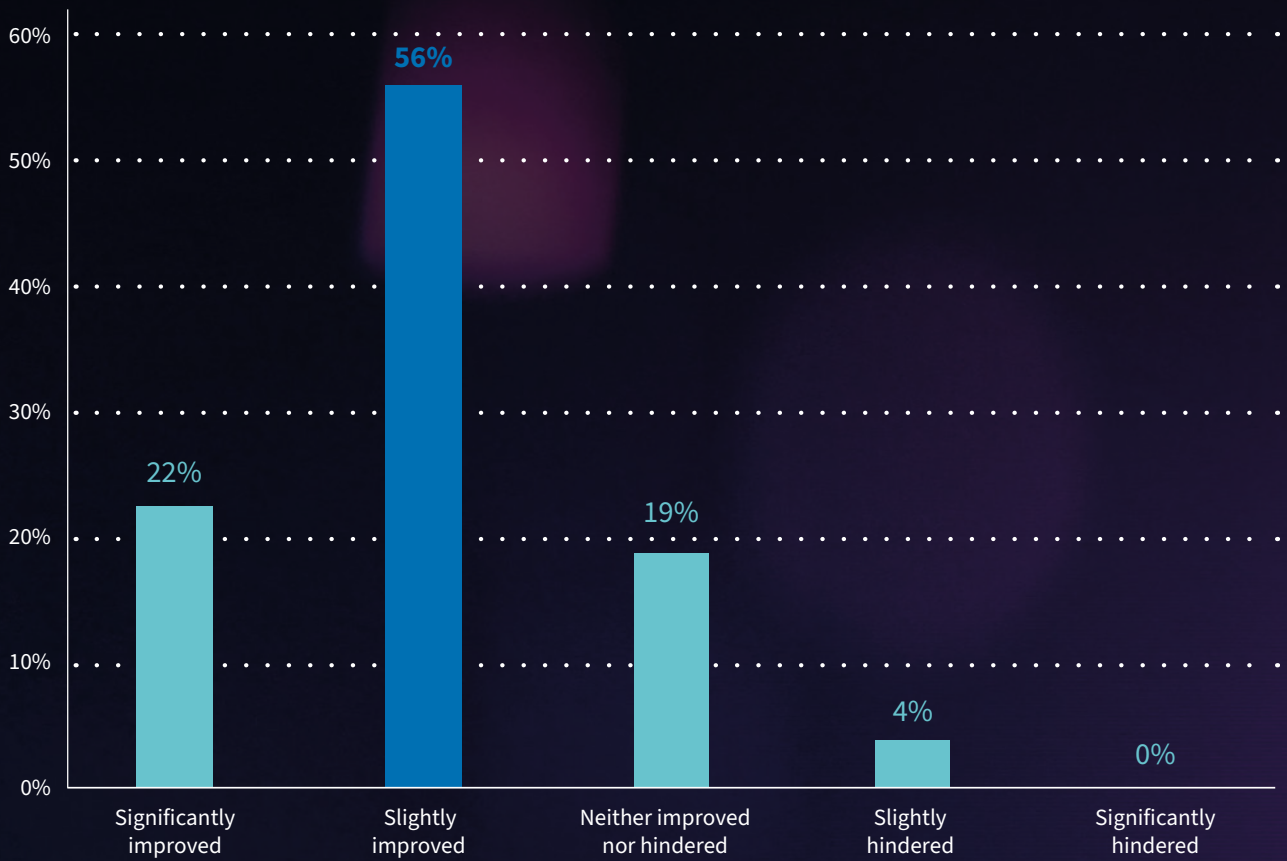
Senior Managing Director, Corporate Reputation

AI is making corporate affairs faster, not more influential

Artificial intelligence is already reshaping how corporate affairs teams work. Leaders report meaningful gains in speed, responsiveness and output quality, but largely in areas that support monitoring, drafting and day-to-day execution. Eight in ten (78%) say AI has improved the quality of work done by their function, with most describing this improvement as incremental rather than transformative.



How has AI affected the quality of work done by your corporate affairs function?





The impact of AI is most visible in operational and production-led activities. Leaders point to external drafting and content production (72%) and media monitoring and analysis (59%) as the areas where AI is currently having the greatest effect.

By contrast, far fewer leaders report AI materially shaping scenario planning, strategic decision-making or audience insight, which are most closely tied to influence at executive level. In other words, AI is helping teams do the work faster, but it has not yet changed when corporate affairs is involved or how much its input shapes decisions.

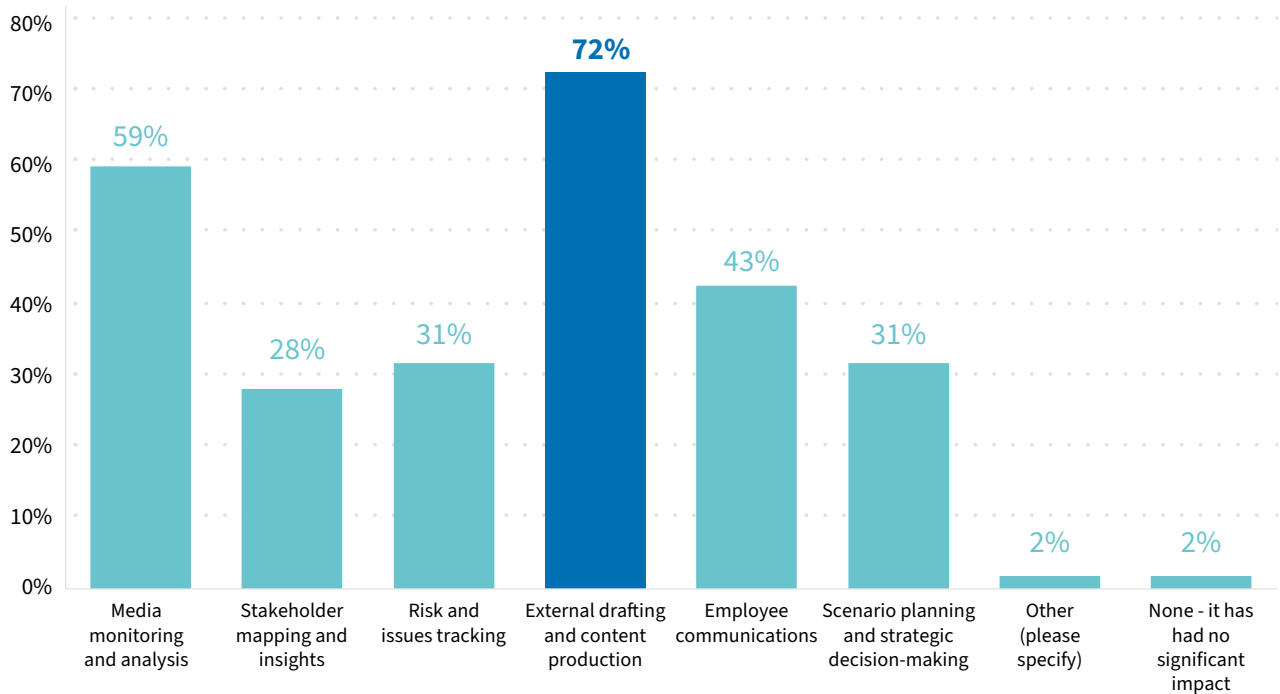
72%

Leaders point to external drafting and content production

What this reveals is not a technology problem, but a mandate problem. Without earlier involvement in decision-making, clearer authority and stronger integration across the business, AI risks reinforcing the existing model by making corporate affairs more efficient at execution, without strengthening its strategic influence.

The opportunity lies not in adopting more tools, but in aligning technology with role clarity. Used well, AI can help corporate affairs spot risk earlier, test ambition against delivery and shape better decisions from the start. Used narrowly, it will simply accelerate responses to decisions already made.

To the best of your knowledge, which areas of corporate affairs are you already seeing AI have the greatest impact on?



The rules have changed

Our research shows the function is being pulled into a far wider set of questions than communications alone, from protecting trust and supporting investor confidence, to shaping how the organisation shows up with regulators and policymakers, to enabling access to markets where permission to operate can no longer be taken for granted.

At the same time, the environment in which corporate affairs operates has become less forgiving. Audiences test statements against actions almost immediately. Reputational risk forms earlier and the impacts of misalignments such as employee disengagement, regulatory scrutiny and loss of trust arrive faster.

That shift helps explain an apparent tension in the data. While 91% of leaders believe the future of corporate affairs will be important to their company's ability to succeed under competitive pressure, only half feel their function can actively manage this today. The expectations have moved faster than the operating model.

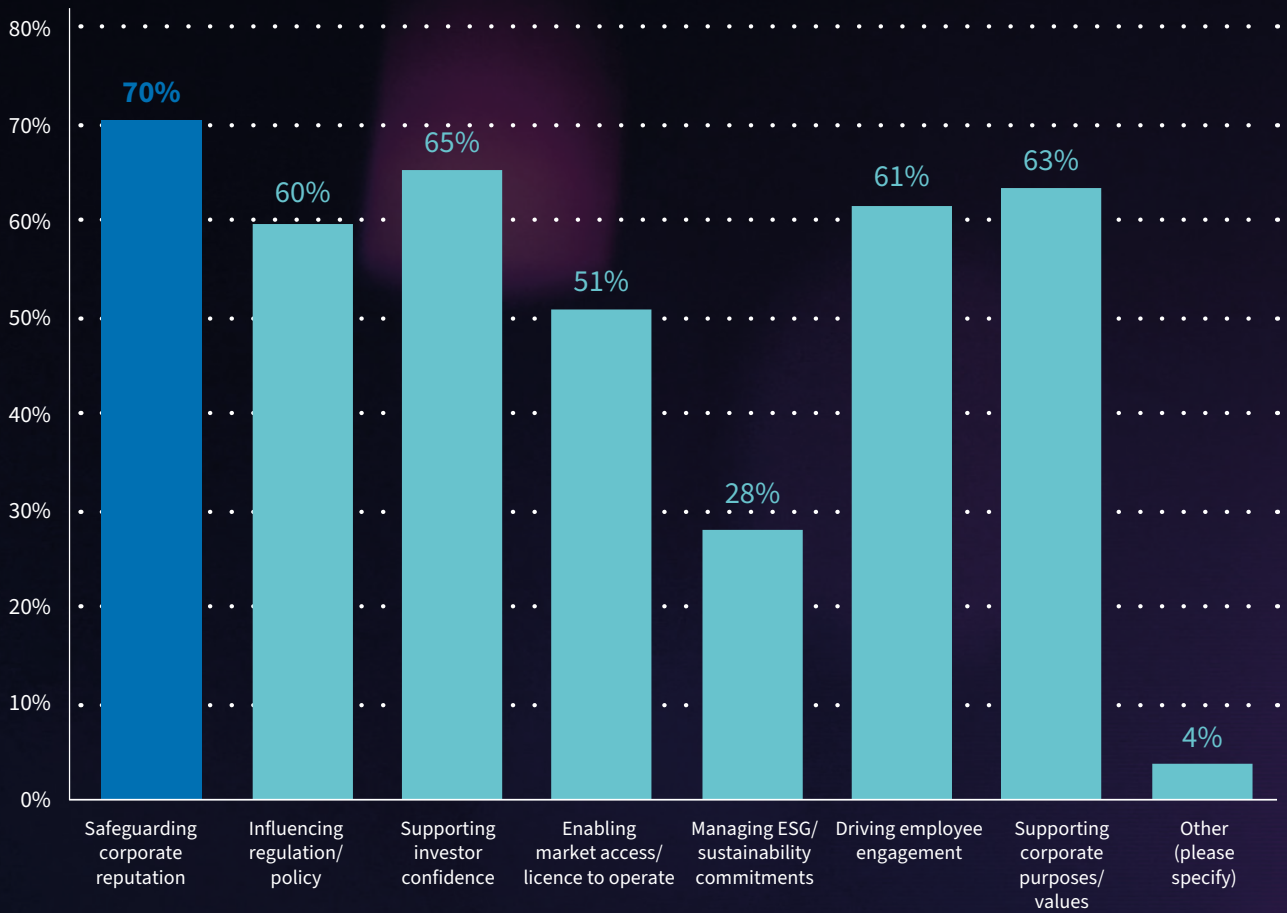
Expectations are now defined by timing, integration and judgement. By knowing when a narrative is credible, when it carries risk and when restraint protects long-term value.



“This report reinforces what we tell clients every day: avoid holding yourself hostage to fortune by saying something during a crisis that you may be unable to substantiate now or in the future. With heightened stakeholder expectation for transparency and accuracy, the best crisis management strategies involve Corporate Affairs at the outset. They will help apply a reputational lens to every decision taken by the business, and provide context on the potential impact this might have on your broader proactive strategy.”

Rachel Tyler
Senior Director, Crisis

Today, in which of the following ways is your function's success judged?



What operating without narrative slack requires

The end of narrative slack has changed what effective corporate affairs looks like. Scrutiny is constant, misalignment is exposed quickly and reputation is formed earlier than most organisations expect. Success is no longer defined by how well decisions are communicated, but by the quality of judgement applied before they are made.

The functions adapting best are shifting earlier in the lifecycle, applying discipline and foresight before ambition hardens into public commitment.





“When the stakes are high, getting the narrative right in order to seize opportunities and confront challenges, is vital. Data-backed validation of the message, tone and language that priority audiences will respond to equips corporate affairs leaders with confidence, and provides a focal evidence base for building executive alignment.

Equally important, is a sharp understanding of the methods through which stakeholders will attune and engage with the narrative. In other words, the creative gunpowder that will detonate the comms strategy, sustain dialogue and spur action – whether that’s growing trust, advancing understanding or changing perceptions.”

Sophie Dunn
Managing Director, Creative



“No longer is it enough to focus on the immediate outcomes of corporate affairs activity – awareness, sentiment, engagement. Instead, corporate affairs teams must now consider how to elevate their impact into increased credibility, trust and resilience. In an era of no narrative slack, credibility in particular becomes a core measure: Where are the gaps between what your organisation says and what your stakeholders believe? Only when corporate affairs teams understand and can anticipate those gaps can an organisation’s reputation truly be protected.”

Emma Woodward
Managing Director, Digital and Insights

Six practices now define what operating without narrative slack requires.



See risk forming earlier

Successful teams are moving beyond tracking what has already happened. They are investing in horizon scanning, supported by AI-enabled insight, to anticipate where ambition, delivery and scrutiny are likely to collide, and to surface risk before it becomes visible externally.



Decide what the business is ready to say

Operating without slack requires shared clarity across the organisation. Corporate affairs leaders are aligning strategy, technology, ESG, HR and communications early, so external commitments reflect what the business can realistically deliver.



Test messages through the eyes of the audience

Narratives are pressure-tested before release, through the lens of employees, regulators, investors and media. The goal is not resonance alone, but credibility once scrutiny begins.



Stress-test issues before they surface

Rather than waiting for challenges to emerge, leading teams run scenarios early to understand where claims could break down under scrutiny, and where restraint protects trust.



Be deliberate about where narratives travel

In an AI-shaped information environment, how narratives move matters as much as what is said. Corporate affairs leaders are paying closer attention to channel strategy, media dynamics and how messages are interpreted and amplified.

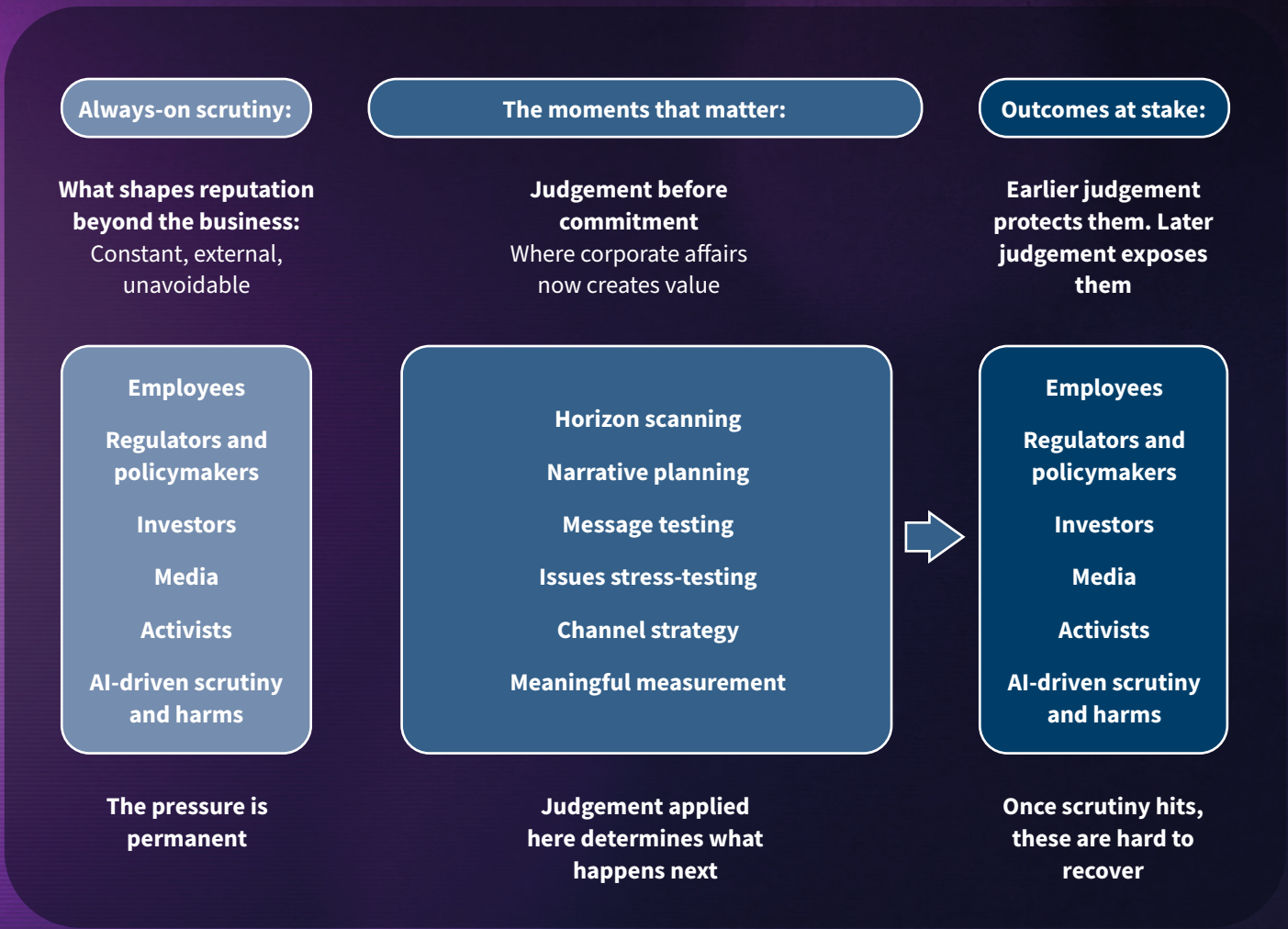


Measure what actually matters

Success is being redefined. Focus is shifting away from activity and volume towards outcomes. Credibility protected, trust sustained and risk avoided.

The Narrative Slack Model

Our research shows reputation is now shaped earlier, faster and more publicly than most organisations expect. Once scrutiny begins, there is little room to recover. The question for corporate affairs is no longer how to respond, but when judgement is applied. Our model sets out how reputation is now formed in practice, and where earlier judgement makes the difference between credibility protected and exposure amplified.



Methodology

This research is based on an online survey conducted by FTI Consulting, with the participation of 61 Corporate Affairs leaders. The fieldwork was conducted between 28 October and 5 December 2025.

Respondents were senior communications and corporate affairs decision-makers based across EMEA, working primarily in large (68%) and medium-sized (30%) organisations. The sample was highly senior, with 45% at C-suite level and a further 48% in senior management roles. Participants were recruited via a combination of existing professional networks and external research panels.

The survey comprised 30 questions covering respondent and organisational profiling, the strategic role and influence of corporate affairs, risks associated with narrative–delivery misalignment, measurement and governance, board and ExCo engagement, future challenges, and the impact of AI on the corporate affairs function.

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