LICENSE TO LEAD

The Leadership Playbook for an Uncertain Era

FLEISHMANHILLARD

INTRODUCTION

Uncertainty is no longer an episodic disruption. It is the permanent, defining condition of modern leadership. Political volatility, geopolitical shifts, technological acceleration, media fragmentation and heightened stakeholder scrutiny have created an environment in which leaders must make high-stakes decisions faster, with less information and certainty, and under greater public exposure than at any point in recent history.

In this context, the central challenge facing organizations is no longer only determining the right strategy. It is securing the permission to execute when strategy must be bolder, move faster, or pivot and evolve. Developing durable stakeholder support in challenging business conditions is a concept we call **License to Lead.** Organizations with a **License to Lead** do not avoid volatility. They move through it with less friction. They shift earlier, recover faster, and sustain legitimacy while others stall under resistance and skepticism.

A company's **License to Lead** notes the degree to which employees, regulators, investors, customers, and communities are willing to accept disruption, absorb short-term pain, and grant leaders latitude to act—even when outcomes are uncertain.

What differentiates high-performing organizations is not whether they change course or achieve their goals, but whether they retain stakeholder support while doing so.

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The New Constraint on Strategy

For much of the past three decades, leadership effectiveness was defined by strategic clarity and operational execution. The prevailing assumption was that once a strategy was set, the primary challenge was implementation. That assumption no longer holds.

Today's environment exposes the limits of static planning. Strategies built on reasonable assumptions are regularly overtaken by events: regulatory shifts, geopolitical escalation, technological breakthroughs, supply-chain disruptions, or sudden changes in public expectations. As a result, strategies that were not built with underlying flexibility must change more frequently and more visibly.

In this environment, leaders are judged less on whether they change course—in fact, many face investor and partner pressure to move faster. **The challenge becomes how these decisions play out, and the emerging constraint moves beyond the quality of the strategy itself. It is stakeholder tolerance for change.**

Across sectors, organizations are encountering the same pattern:

- Leadership recognizes that assumptions no longer hold
- Strategic shifts become necessary to protect long-term value
- Stakeholders experience the shift as abrupt, inconsistent, or insufficiently explained
- Friction emerges — not because the shift is wrong, but because it feels unjustified or disorienting
- Organizations move clumsily or slowly through execution, missing opportunities to maximize value

In volatile environments, execution breaks down not because conditions change, but because companies overestimate how well they've brought stakeholders along.

The difference between organizations that stall and those that adapt is not strategic brilliance. It is whether stakeholders have confidence that the new course is the correct path — and whether they are willing to follow.

THE ANSWER:
Developing License to Lead

Our experience counseling C-Suite leaders and communications teams from across global industries and markets has shown us that the central challenge facing organizations is often not determining the right strategy. It is securing the permission to execute when bold or shifting strategies test the limits of stakeholder confidence. That's what we call having **License to Lead.**

Organizations and executives with a **License to Lead** do not avoid volatility or always manage to walk a straight line from strategy to execution. Instead, they move and adapt with less friction.

Why? They start from a position of strength and confidence with their stakeholders and gain—rather than lose—credibility from how challenges are handled. They can pivot earlier and with less reputation clean up, enabling them to recover faster and sustain legitimacy. All while their competitors stall under resistance and skepticism.

THE LICENSE TO LEAD
RESEARCH SUMMARY

A new survey from FH's Global Executive Advisory and TRUE Global Intelligence team identifies what it takes to earn a License to Lead and where executive teams are falling short. The comprehensive global study includes and compares the opinions of 1,550 business and political leaders and 4,000 engaged consumers — a new, modern definition that identifies proactive individuals who have recently taken multiple tangible actions tied to a company's values and reputation. Together, the findings paint a clear picture of shifting corporate expectations and reputation.

ABOUT THE SURVEY:

FleishmanHillard's TRUE Global Intelligence conducted an online survey from December 15, 2025 – January 4, 2026 globally among n=4,000 engaged consumers, n=1,400 executives and n=150 policy stakeholders across 4 regions and 15 markets *(North America: US, Canada; Latin America: Brazil, Mexico; Europe & Middle East: UK, France, Germany, Brussels, Netherlands, Saudi Arabia, UAE, South Africa; Asia Pacific: China, Japan, South Korea).*

Engaged consumers were defined as those who had taken three or more distinct actions in the past 12 months based on corporate reputation, such as researching business practices, advocating online, or altering their purchasing behavior based on a company's values. Executives were defined as Director+ level in a corporate setting across a mix of industries. Policy stakeholders were defined as individuals with a policy related role *(Director+)* at government agencies, think tanks or NGOs.

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KEY FINDING #1

Data from engaged consumers and policy stakeholders show they aren't blind to the challenging dynamics that business leaders face, leading to a new belief that a top leadership skill is the ability to adapt quickly to change.

84% of engaged consumers and 82% of policy stakeholders agree the current business environment is more unpredictable and disruptive than it was three years ago.

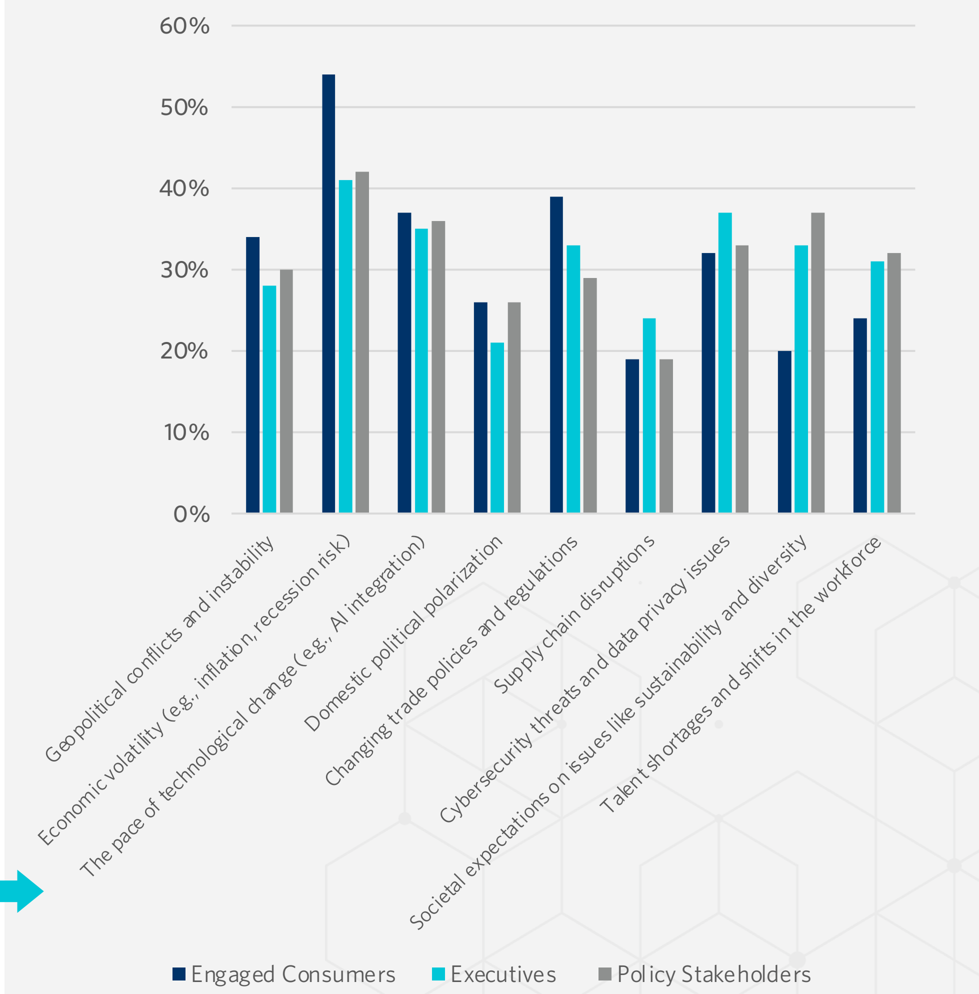
51% of engaged consumers believe the ability to adapt quickly to change will matter most for business leaders to succeed over the next decade.

Q: Looking ahead, which of the following qualities will matter most for business leaders to succeed over the next decade?	ENGAGED CONSUMERS
Ability to adapt quickly to change	51%
Ability to communicate clearly and simply	40%
Ability to effectively communicate about changes and pivots	37%
Ability to anticipate risks	34%
Commitment to creating long-term societal value	34%
Ability to navigate political or social issues	33%
Ability to demonstrate empathy	26%
Ability to build coalitions and partnerships	25%

WHAT'S DRIVING UNCERTAINTY FOR BUSINESS?

Among engaged consumers, executives and policy stakeholders, areas of agreement and disagreement speak both to the frontline concerns and experiences of each group, and the access they have to information about the changing risks and solutions.

Q: What are the top factors creating the most significant uncertainty for businesses today? Please select up to three.



KEY FINDING #2

While engaged consumers understand changing circumstances must be met with strategic shifts, there are clear expectations of what must be true to have permission to pivot without losing stakeholders along the way.

Compared to a few years ago, around half of engaged consumers report higher expectations of companies to:

Act with their customers in mind
52%

Do the right thing
50%

Act with a balanced stakeholder approach
47%

Over 90% of engaged consumers report the following actions are key to building confidence in a company's leadership:

Communicating their strategy and direction in clear, straightforward terms	Ensuring a consistent message about the company's goals	Being transparent about the reasons behind difficult decisions	Genuinely engaging with and listening to their stakeholders	Taking accountability when things go wrong
93%	93%	93%	94%	95%

The top three factors to building long-term loyalty include:

Product the company offers
42%

Company's mission and purpose
38%

How the company treats employees and stakeholders
38%

The benefits of meeting these expectations are striking:

92% of engaged consumers say a company with a strong, positive reputation has more permission to undertake a major business transformation.

85% of engaged consumers being likely to give a company they respect the benefit of the doubt if there is a crisis or mistake.

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KEY FINDING #3

There's a major gap between how leaders think they're doing, and how stakeholders grade them — and that gap reveals major erosion of confidence in business.

Business and policy leaders express great confidence in large companies despite today's volatility. **49% of executives** and **44% of policy stakeholders** have **high confidence** in corporate ability to address challenges; **51%** and **41%** respectively have **"a lot" of confidence** that business leaders will act in the best interest of society, and **44%** and **36%** believe large companies **can lead effectively** during future disruption.

However, engaged consumers don't score business nearly as high. Just **20%** of global engaged consumers **are very optimistic** about large companies' ability to address major challenges. Only **19%** have **"a lot" of confidence** that corporate leaders will act in the best interests of society, and only **15%** believe **companies are "very prepared"** to navigate uncertainty and disruption.

Q: How optimistic or pessimistic are you that leaders of large companies will successfully address major challenges in the next 10 years?

	Very Optimistic	Somewhat Optimistic	Somewhat Pessimistic	Very Pessimistic
Engaged Consumers	20%	46%	24%	10%
Executives	49%	41%	7%	4%
Policy Stakeholders	44%	41%	9%	6%

Q: How much confidence do you have that leaders of large companies will act in the best interest of society?

	A lot	Somewhat	Not very much	Not at all
Engaged Consumers	19%	44%	28%	9%
Executives	51%	44%	4%	2%
Policy Stakeholders	41%	50%	5%	5%

Q: How prepared do you believe large companies are to lead effectively during future periods of disruption?

	Engaged Consumers	Executives	Policy Stakeholders
Very prepared	15%	44%	36%
Somewhat prepared	57%	53%	59%
Not very prepared	25%	3%	5%
Not at all prepared	3%	0%	1%

KEY FINDING #4

The consequences of failing to bring stakeholders along as a company drives the strategy forward go well beyond an abstract benchmark on reputation.

Corporate credibility has become highly fragile:

98% of engaged consumers say they are **paying attention** to corporate follow-through.

48% of engaged consumers say that inconsistent or conflicting messages from company leadership greatly **decrease their confidence.**

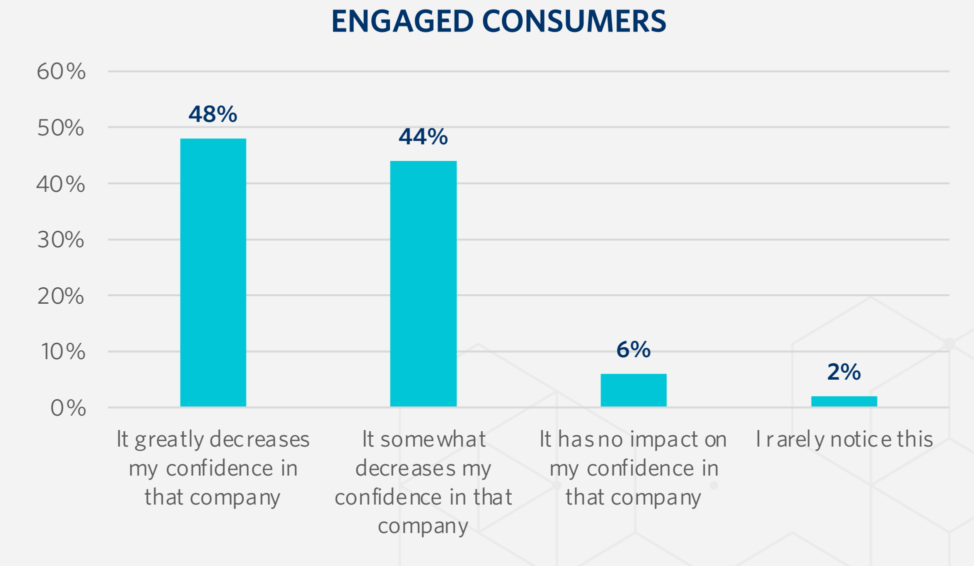
That loss of confidence comes with a loss of spending. In the past 12 months, engaged consumers reported that after a company's actions caused them to lose confidence they:

stopped buying or significantly reduced spending
58%

switched to a competitor's products or services
50%

privately advised friends or family against the company
40%

Q: When you observe conflicting or inconsistent messages from a company's leadership, how does it affect your confidence in that company?



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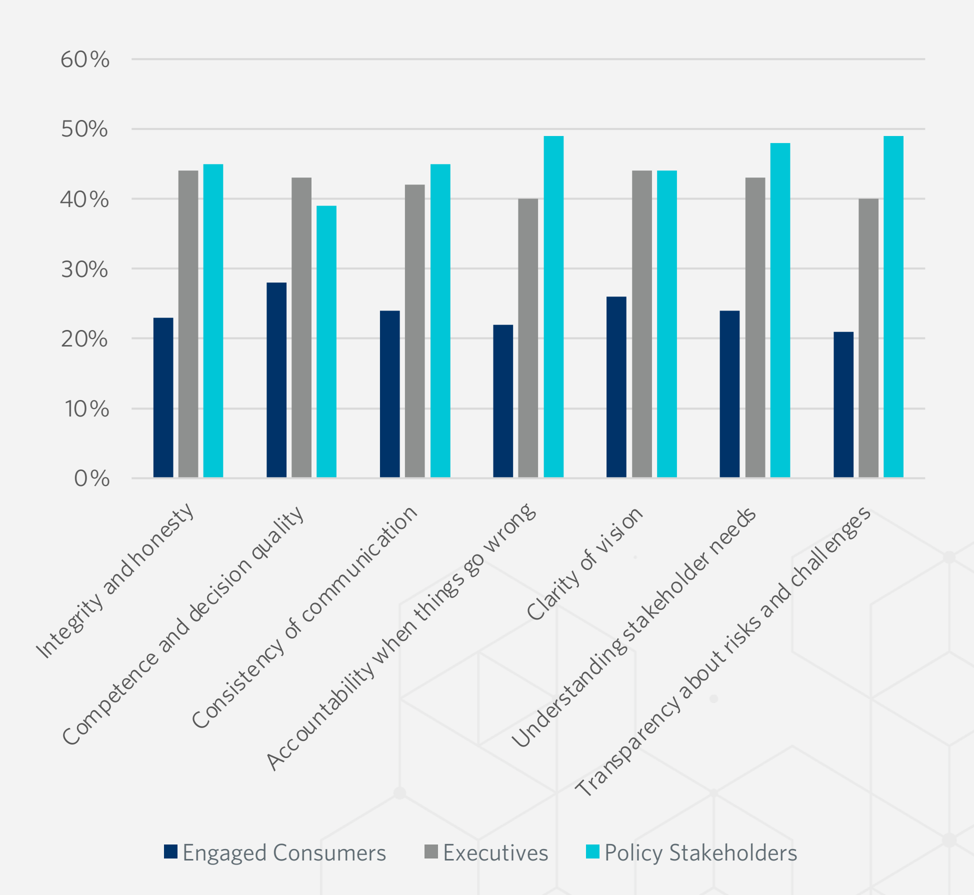
KEY FINDING #5

Engaged consumers are over grand purpose and vision statements. Today's priorities are about rebuilding the table stakes of corporate behavior and stakeholder respect.

When asked what gives a company the "right to lead," during periods of change, engaged consumers ranked **demonstrated ethical behavior (24%)** and **clear and consistent communication (21%)** the highest. When it comes to confidence-building behaviors from leaders, an overwhelming **76%** of global engaged consumers say displaying **integrity is "very important"** and **74%** say the **same of accountability.** These values rank higher than even **raw competence (66%).**

A major perception gap must be addressed by business leaders about the success of their current efforts. While executives say they often see business leaders displaying **integrity and honesty (44%)** and **accountability (40%),** engaged **consumers rank their performance much lower** at **23%** and **22%,** respectively.

Q: When thinking about major companies today, how often do you feel their leaders demonstrate these qualities?



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THE LICENSE TO LEAD MATURITY CURVE

The License to Lead Maturity Curve describes five distinct stages in how organizations navigate uncertainty and how stakeholders respond when strategy must evolve. These stages are not aspirational labels; they are observable patterns. Most organizations can recognize themselves — and their failure modes — clearly within one of them. Progression along the curve reflects a shift in mindset: from treating volatility as an anomaly to accepting it as a permanent condition, and from viewing reputation as a byproduct of success to understanding it as a prerequisite for execution.

WHAT THE MATURITY CURVE ULTIMATELY REVEALS:

- The maturity curve surfaces a critical insight: most friction encountered during strategy pivots is self-inflicted. It arises not from the necessity of change, but from how leaders prepare stakeholders — or fail to — before and during that change.
- Reputation compounds across stages. Each well-handled pivot increases permission for the next. Each poorly handled pivot erodes it. Organizations cannot improvise their way to Strategic Advantage during a crisis; they must build the conditions for permission long before it is tested.
- The License to Lead is not granted once. It is renewed repeatedly, and sustained through disciplined leadership behavior in moments when strategy must evolve.

STAGE 1: **Reactive** Constantly Surprised, Constantly Responding	STAGE 2: **Stabilizing** Containing Risk, Avoiding Missteps	STAGE 3: **Responsive** Adapting Faster Than Peers	STAGE 4: **Opportunistic** Using Disruption to Advance Strategy	STAGE 5: **Strategic Advantage** Setting Expectations
Reactive organizations experience volatility as a series of discrete crises. Strategy pivots occur abruptly, often triggered by external pressure rather than internal reassessment. Decisions feel rushed, and explanations follow action rather than preceding it. Stakeholders in Reactive organizations do not experience strategy pivots as adaptation; they experience them as instability. Employees question whether leadership understands the business. External audiences infer internal disagreement or lack of control. Reputation, rather than cushioning the organization, amplifies friction by reinforcing doubt. Organizations remain stuck in this stage when leaders treat volatility as episodic and believe that once the immediate disruption passes, normal operations will resume. Each subsequent pivot becomes harder to execute because credibility erodes with every surprise.	Stabilizing organizations have learned from repeated disruption. They invest in processes, controls, and governance mechanisms designed to reduce exposure and prevent further erosion. Strategy pivots still occur, but they are delayed and framed cautiously. Stakeholders experience these organizations as careful but constrained. They tolerate change, but confidence is conditional. Permission exists, but it is fragile and easily withdrawn if outcomes disappoint or if messages diverge. Organizations get stuck here when leadership mistakes risk containment for leadership strength and underestimates the cost of moving too slowly in fast-changing environments. As a result, opportunities to act early are missed, and strategy pivots lag behind external reality. Over time, this delay creates its own form of risk.	Responsive organizations begin to internalize that volatility is not a temporary condition. Leadership becomes more comfortable revisiting assumptions and explaining why circumstances have changed. Strategy pivots are more clearly contextualized and explicitly linked to external forces. Stakeholders grant provisional permission. They recognize competence and responsiveness, and momentum improves relative to peers. However, confidence remains fragile. Each pivot is still evaluated independently, and tolerance for missteps is limited. Reputation provides breathing room, but not yet durability. Many organizations stall at this stage because they treat each pivot as a discrete event rather than part of a continuous story of adaptation. Leadership explains change well in the moment but fails to reset expectations about how often change will occur. As a result, stakeholders continue to experience each pivot as an exception rather than as the norm.	Opportunistic organizations view volatility as a moment to advance strategic priorities while competitors hesitate. Leadership behavior shifts meaningfully. Strategy pivots occur earlier, often before external pressure peaks. Explanations are proactive rather than reactive, and leadership alignment is disciplined and visible. Stakeholders expect change. While they may not agree with every decision, they accept disruption as part of progress. Reputation actively reduces resistance, allowing leaders to move faster and with greater confidence. Execution accelerates rather than stalls. The primary risk at this stage is complacency. Organizations that assume permission is permanent can regress if they stop investing in stakeholder relevance or narrative discipline. Opportunistic advantage must be continually earned.	Organizations at the Strategic Advantage stage treat uncertainty as a permanent condition of leadership. Adaptation is no longer framed as an exception; it is assumed as normal. Leadership behavior reflects this mindset. Assumptions are revisited openly and continuously. Strategy pivots are framed as disciplined evolution rather than course correction. Stakeholders are oriented to direction and principles rather than fixed plans. *Reputation provides durable execution headroom.* Stakeholders grant latitude by default, interpreting change as evidence of leadership competence rather than instability. Leaders can revise course without losing legitimacy, and execution accelerates even under sustained volatility. Few organizations reach this stage, and fewer remain there. Those that do have institutionalized the behaviors that convert *reputation into permission over time.*

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THE NEW LEADERSHIP PLAYBOOK:

- Simplification as an Antidote to Complexity
- Ruthless Leadership Alignment
- Campaigning the Strategy
- Owning the Why
- Stakeholder Relevance Without Shortcuts

Becoming a high performing, aligned organization that can move quickly to fast-track opportunities and adapt without the drag of residual "reputation pollution" isn't accidental. **While so much of the world may feel out of a company's control, successfully winning and retaining License to Lead isn't.**

A License to Lead isn't a permanent asset; it is a renewable lease. In stable times, stakeholders might trust your intent. In volatile times, they test your reality. According to our research, only 19% of global engaged consumers have 'a lot' of confidence in large companies today. The baseline permission to execute is already broken.

Organizational **License to Lead** is the result of a small number of leadership conditions and behaviors cultivated and met consistently over time. These five conditions work together. Simplification without alignment creates confusion. Campaigns without ownership feels scripted. Relevance without clarity leads to drift.

When these conditions are met, reputation becomes an enabling force. Stakeholders grant leaders the permission to change course, absorb uncertainty, and continue moving forward even when the path is not yet fully visible. That permission is what allows ambition and adaption without breaking execution.

Simplification as an Antidote to Complexity

Volatility creates cognitive overload. In periods of sustained uncertainty, stakeholders are inundated with information: shifting priorities, competing explanations, external noise, and rapid organizational change. That's a critical reason that all three of our survey audiences identified the ability to communicate clearly and simply as one of the top skills needed for business leaders.

Leaders who build a *License to Lead* articulate direction in simple, repeatable terms. They anchor decisions to a small number of durable principles rather than a constantly shifting set of targets.

Simplification is not about dumbing down complexity; it is about making complexity navigable. High performing leaders actively reduce competing narratives across the organization and focus relentlessly on helping stakeholders answer three fundamental questions:

Where is the organization going?

Why is this direction necessary now?

What principles will guide decisions as conditions continue to change?

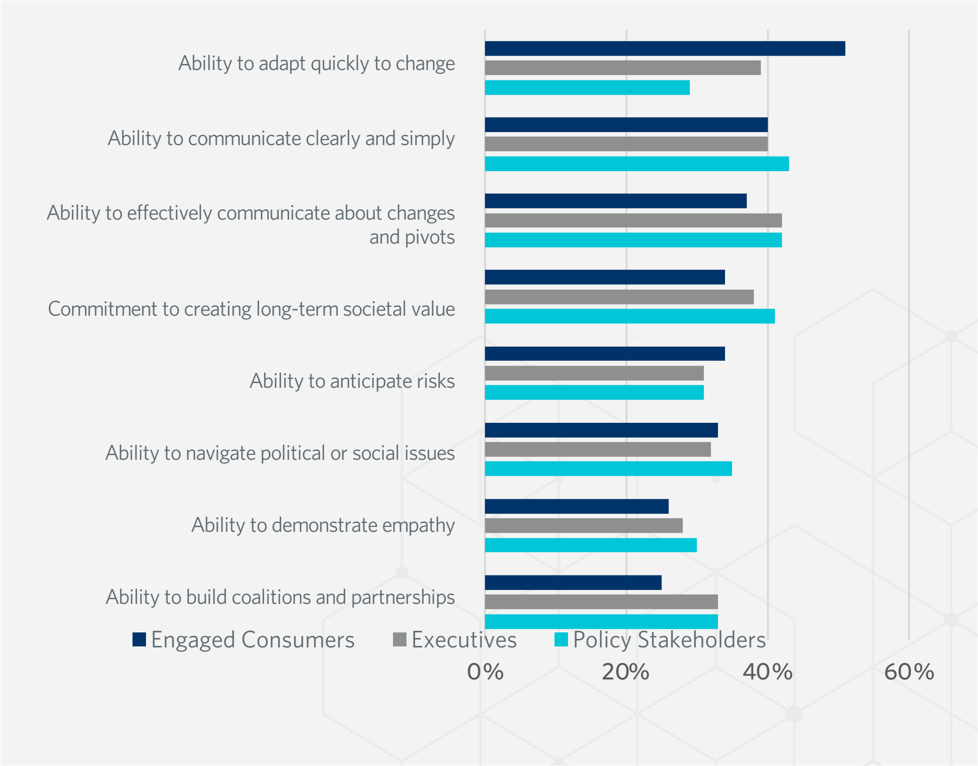
Simplification serves a critical function: it gives stakeholders something stable to hold onto when everything else feels in flux. When stakeholders can repeat the direction back in their own words, they are far more willing to tolerate uncertainty about timing, sequencing, or outcomes.

Organizations that fail to simplify experience a different dynamic. Stakeholders become preoccupied with deciphering leadership intent. Energy is diverted toward interpretation rather than execution. Even sound decisions feel destabilizing because they are not situated within a clear frame.

"If your strategy requires a decoder ring, you've already lost the room. Complexity isn't a sign of sophistication; it's a barrier to belief."

— Rachel Catanach, FleishmanHillard
Senior Partner, Global Managing
Director, Corporate Affairs

Q: Looking ahead, which of the following qualities will matter most for business leaders to succeed over the next decade?



Ruthless Leadership Alignment

Misalignment erodes permission faster than bad news. In volatile environments, stakeholders are highly attuned to signals of leadership coherence. They assess credibility not only by what leaders say, but by whether leadership appears unified in purpose and direction. Inconsistency — real or perceived — quickly undermines confidence.

> *"A strategy pivot is the moment stakeholders look for cracks in the hull. If the CEO and the CFO are telling different versions of the same story, the water starts rushing in immediately."*
>
> — Michael Moroney, FleishmanHillard
> Senior Partner, Managing Director,
> Corporate Affairs, The Americas

In our research, executives and policy stakeholders were much more tolerant of inconsistent messages from business leaders than engaged consumers. Executives looking to build License to Lead must become much more wary of misalignment. When changes feel overwhelming and high stakes, any visible divergence between the CEO and the C-Suite is immediately weaponized by critics, damaging credibility before the organization can even clarify its intent.

Q: When you observe conflicting or inconsistent messages from a company's leadership, how does it affect your confidence in that company?

	Engaged Consumers	Executives	Policy Stakeholders
It greatly decreases my confidence in that company	48%	24%	21%
It somewhat decreases my confidence in that company	44%	53%	57%
It has no impact on my confidence in that company	6%	20%	21%
I rarely notice this	2%	4%	1%

Stakeholders judge alignment through a simple lens: 1. Do executives reinforce the same priorities? 2. Do internal and external narratives match? 3. Are trade-offs acknowledged consistently, or explained away selectively?

In organizations with a License to Lead, alignment is treated as non-negotiable.

Leaders invest time in resolving disagreements privately so that unity is visible publicly. They resist the temptation for individual executives to interpret strategy through their own functional lens when speaking externally.

This becomes especially critical during strategy pivots. When assumptions change, stakeholders look for reassurance that leadership remains in control. Visible alignment signals that the pivot is deliberate rather than reactive, coordinated rather than chaotic.

The urgency is also heightened in today's hyper-connected media environment. In a landscape where soundbites are instantly isolated, amplified, and stripped of context, an executive who is "off message" does not just create confusion; as our research shows, they contribute to a crisis of confidence.

Campaigning the Strategy

Announcement is not alignment. Even sophisticated audiences miss the signal; we have seen analysts attend an Investor Day only to express surprise at the very same strategy six months later. If the gap exists for professional watchers, the gap for the rest of your stakeholders is likely a chasm.

To Campaign the Strategy means to treat your core direction or a needed pivot not as a one-time reveal, but as a relentless, ongoing operation. However, repetition alone is insufficient; relevance is key.

Teams who want to build **License to Lead** must resist the dangerous assumption that a narrative designed for investors will automatically resonate with — or even reach — employees, customers, or regulators. They must not assume that because a pivot was covered in the financial press, it has permeated the culture. It has not. And in fact, any notice of it could end up backfiring. An earnings script emphasizing "margin efficiency" may excite the street, but it often lands as a warning signal to the workforce.

Effective campaigning requires radical translation across stakeholder ecosystems. You must anchor every communication to the "North Star," but you must personalize the message and the channel for each audience.

Furthermore, you must actively "connect the dots" between daily tactical moves and the broader strategic arc. A product launch is not just a launch; it is "Proof Point #3 of our Pivot to Digital." A cost reduction is not just a cut; it is "reallocating fuel to our growth engine." Unless you actively translate the corporate vision into their specific context, stakeholders will fill the silence with their own, often cynical, interpretations. If you aren't tired of repeating it, they haven't heard it yet.

> ***"Too many organizations suffer from the 'Breadcrumb Fallacy' — the mistaken belief that because a strategy was unveiled at a Capital Markets Day or a Town Hall, stakeholders are actively following its progression. An Investor Day deck is not a culture shift. You haven't campaigned the strategy until a frontline employee can explain where you're headed without checking a script."***
>
> — Michelle Mulkey, FleishmanHillard
> Senior Partner, Head of Corporate Reputation,
> The Americas

Owning the “Why”

In a volatile world, leaders face a paradox. On one hand, stakeholders demand agility; as our survey showed, 51% of engaged consumers rank the ability to "adapt quickly to change" as the single most important leadership capability. On the other, they punish inconsistency; 92% say their confidence declines if a company’s leadership changes their tune.

This creates a dangerous trap. Too often, strategic priorities and changes are presented as fait accompli; final verdicts delivered from a "black box" of executive decision-making. When leaders pivot strategy without fully explaining the rationale, stakeholders do not see “adaptability,” they see a broken promise. Building License to Lead is about creating the bridge between these two demands. It is not about making a single difficult announcement; it is about maintaining the integrity of the narrative while the trajectory changes.

To do this, leaders must explicitly articulate which external assumptions have shifted and why those changes create the opportunity or need for a new path. Crucially, it also means acknowledging what is being given up and what remains constant. This last point is critical and requires treating stakeholders with radical realism. It means admitting that the decision was not easy.

> “*Stakeholders can handle bad news. They cannot handle being gaslit. Admitting that your assumptions changed isn't weakness; it is the only way to prove you are still in control.*”
>
> — Elizabeth Cook, FleishmanHillard
> Senior Partner, Head of Executive Impact, The Americas

When you pretend a pivot is purely beneficial and ignore the friction or loss involved, you insult the intelligence of your audience. Paradoxically, admitting the downside increases buy-in.

Owning the “why” also protects leadership credibility over time. When leaders demonstrate a pattern of explaining their thinking, especially when that thinking evolves, stakeholders learn to expect change as part of disciplined leadership rather than as evidence of inconsistency. Owning the “why” keeps leaders in control of the narrative — even when outcomes are uncertain.

> “*In-touch companies don't assume the public is stupid and doesn't care. They deal with all people as equals.*”
>
> — North American Engaged Consumer

Building License to Lead means transcending the massive *"Say-Do"* gap: currently, **only 15% of engaged consumers** in our survey believe companies align their words with their actions. When you pivot without showing your work, you fall into this gap. But when you explain the trade-offs, you transform the pivot from a moment of inconsistency into an act of disciplined leadership. By revealing the logic behind the change, you prove that while your tactics may shift, your principles remain the North Star.

Stakeholder Relevance Without Shortcuts

The era of earning buy-in through "Values on the Wall" is over. Stakeholders have become immune to aspirational statements. In a volatile environment, they do not grant permission based on what a company says it stands for; they grant it based on what the company does when the pressure is on.

License to Lead is not earned through better listening tours; it is earned through better impact mitigation. In periods of real change, stakeholders judge relevance by a stark metric: Did you understand how this decision would hit me, and did you act with fairness?

Organizations that maintain **License to Lead** rigorously map the impact of strategic decisions on every stakeholder group before the decision is finalized. If a pivot necessitates friction—layoffs, price increases, or market exits—they do not spin it as positive. They focus on "doing the right thing" by structuring the execution to maximize dignity. This ensures stakeholders see their concerns reflected in the process, even when the outcome is painful.

Relevance is demonstrated when you do the hard work to protect stakeholders from unnecessary pain. These are not acts of charity; they are strategic investments. Stakeholders grant latitude to leaders whose principles hold up under stress. If your values disappear the moment they become expensive, you never really had them — and your stakeholders know it.

> ***"A deep fissure now exists between the principles people demand and the corporate actions they see. This is not an issue of communication, but of substance — revealing that a company's actions are the only proof that holds weight."***
>
> — Marina Stein Lundahl, FleishmanHillard
> Partner, TRUE Global Intelligence,
> Head of Primary Research

Our research shows a massive disconnect: while **76% of engaged consumers** rank integrity as a top leadership quality, only **23%** see it in practice. This gap exists because companies often pivot strategy based on financial logic but manage the consequences with "messaging" rather than operational care.

THE CORPORATE AFFAIRS OPERATING SYSTEM

The conditions to create License to Lead cannot be improvised. It requires a system. Corporate affairs must operate as an integrated leadership infrastructure, one that continuously converts complexity into clarity and builds reputational capital through stakeholder buy-in to sustain legitimacy as leaders make decision that move the strategy forward.

This shift is subtle but profound. Leaders increasingly rely on corporate affairs to answer fundamental questions:

- What do stakeholders have confidence in us to do?
- What do they need to understand to stick with us through change?
- Where will friction emerge and how can we smooth it?
- How much latitude do we have to move and where are the limits?

High-performing corporate affairs functions integrate three capabilities—Insight, Influence, and Adaptability—**not as separate activities, but as a continuous operating loop.**

INSIGHT:
Translating External Complexity into Leadership Clarity

Even in the best of times, companies have a difficult time seeing outside their own four walls. They are challenged to have a pulse about what stakeholders understand and whether the messages are landing with anyone other than executives. Or what other external signals mean. In periods of volatility, this escalates from a weakness to a threat.

Yet, leaders are rarely short on information. What they need is corporate affairs that is delivers a cross-functional operating system to translate the information and drive clarity at the C-Suite and then across all stakeholders.

External signals arrive continuously: regulatory developments, geopolitical shifts, stakeholder reactions, media narratives, employee sentiment, competitive moves. Taken individually, each signal appears manageable. Taken together, they overwhelm traditional decision-making structures.

High-performing functions translate diffuse external complexity into clear leadership implications. They identify which signals matter, how they interact, and what they mean for the organization's assumptions and strategic options. They distinguish between noise and inflection points. They surface second-order effects before those effects become constraints.

> ***"Even in the best of times, companies have a difficult time seeing outside their own four walls ... in periods of volatility, this escalates from a weakness to a threat."***

Critically, this insight is not delivered as a report after decisions are made. It is embedded into the decision process itself. Leaders rely on corporate affairs to pressure-test assumptions, anticipate stakeholder reaction, and assess whether the organization has the reputational headroom to move.

Without this capability, leaders often misjudge the environment in one of two ways: they either underestimate resistance and move too fast or overestimate it and hesitate unnecessarily. **In both cases, execution suffers.**

Insight enables leaders to act with confidence not because uncertainty has disappeared, but because its contours are better understood.

INFLUENCE:

Building and Mobilizing Reputation to Reduce Friction and Shape Outcomes

Influence is the capability through which corporate affairs mobilizes reputation to reduce friction, align stakeholders, and shape outcomes in moments that matter. It is not about visibility or volume. It is about leverage.

High-performing organizations understand that reputation is not evenly distributed across decisions. Certain moments — strategy pivots, restructurings, policy positions, investment shifts — consume far more reputational capital than others. Corporate affairs functions that operate as an operating system help leaders build up that reputation capital and then deploy it deliberately.

> *"Influence is not about visibility or volume. It's what turns reputation from a passive asset into an active enabler of execution."*

They align leadership narratives so that stakeholders encounter coherence rather than contradiction. They sequence engagement so that key audiences are prepared before decisions become visible. They build coalitions that broaden support and isolate resistance. They help leaders frame trade-offs in ways that preserve legitimacy even when outcomes are contested.

Importantly, influence is built long before it is needed. Organizations that try to have influence only at the moment it is needed often discover that reputation cannot be accelerated on demand. Those that invest continuously are able to move decisively when conditions shift.

Influence is what turns reputation from a passive asset into an active enabler of execution.

Without an operating system that is constantly creating reputational capital, the company won't have it when it is needed most.

The data bears this out:
92% of engaged consumers say a company with a strong, positive reputation has more permission to undertake a major business transformation and **85% of engaged consumers** being likely to give a company they respect the benefit of the doubt if there is a crisis or mistake.

ADAPTABILITY:

Maintaining Legitimacy Through Repeated Change

Organizations that succeed over time are not those that execute a single strategy well, but those that sustain legitimacy across what will increasingly be required: multiple cycles of change. This requires adaptability — not as speed alone, but as credibility through changes.

High-performing corporate affairs functions help leaders normalize change without normalizing confusion. They reset expectations about how often strategy will evolve and why. They reinforce what remains constant even as priorities shift. They ensure that each pivot builds, rather than erodes, permission for the next.

> ***"Adaptability is what allows organizations to treat uncertainty as permanent without exhausting stakeholder goodwill."***

This capability is especially critical as strategies evolve in response to broken assumptions or external disruptions. When leaders must revise course multiple times, stakeholders look for signals of discipline rather than drift. Corporate affairs provides the narrative continuity that allows adaptation to be experienced as winning rather than instability.

Adaptability also requires institutional memory. Organizations that lose track of how prior pivots were explained often repeat the same mistakes. Those that capture and apply lessons improve their ability to sustain permission over time. Adaptability is what allows organizations to treat uncertainty as permanent without exhausting stakeholder goodwill.

The Corporate Affairs as Operating System isn't just rolling out the best possible message when the company is adapting.

The role is to reinforce the constant so stakeholders can recognize adaptation as a winning strategy. Not an acknowledgment of failure.

THE OPERATING SYSTEM IN PRACTICE

Individually, insight, influence, and adaptability are valuable. Together, they form an operating system that allows leaders to pivot without stalling. Organizations that integrate these capabilities do not eliminate resistance. They manage it deliberately. They reduce friction, accelerate execution, and retain leadership credibility even as strategy evolves.

Those that do not often misdiagnose their challenges. They attribute stalled execution to messaging gaps, cultural resistance, or external hostility, when the real issue is the absence of a system capable of sustaining permission.

Corporate affairs, when elevated to this role, becomes central to leadership itself. It does not replace strategy or operations. It enables them to function under conditions where certainty is scarce and change is unavoidable.

As volatility becomes permanent, the question for leaders is no longer whether corporate affairs is important. It is whether the organization has built a system capable of converting reputation into permission repeatedly, at scale, and under pressure.

Organizations that do will continue to move while others hesitate. Those that do not will find that even the right strategies fail — not because they are wrong, but because they cannot be executed. That is the difference between communicating change and having the stakeholder buy-in to be successful.

High-performing corporate affairs functions integrate three capabilities — Insight, Influence, and Adaptability — **not as separate activities, but as a continuous operating loop.**

IMPLICATIONS FOR LEADERS

The shift toward permanent uncertainty has profound implications for how leaders think about strategy, reputation, and execution. The organizations that continue to perform are not those that avoid change, but those that adapt without losing stakeholder buy-in. Three implications follow, each of which challenges long-held assumptions about leadership in complex environments.

STRATEGY:
Will Continue to Change

In volatile environments, strategy is no longer a fixed destination. It is a series of informed judgments made under uncertainty, revised as assumptions break and conditions evolve. Leaders who treat strategy as something that should remain stable until proven wrong increasingly find themselves outpaced by reality.

This does not mean strategy has become arbitrary. It means strategy has become iterative.

The implication for leaders is stark: the frequency of strategic change is rising, but stakeholders' tolerance for poorly explained change is not. Each pivot consumes permission. Each unexplained shift increases friction. Over time, even well-reasoned decisions can stall if stakeholders feel disoriented or excluded.

High-performing leaders internalize this dynamic. They assume that strategy will evolve and design their leadership approach accordingly. They orient stakeholders to direction and principles rather than rigid plans. They prepare audiences for change before it becomes necessary. They treat explanation as part of execution, not as an afterthought.

REPUTATION:
Must Be Built Before It Is Needed

Reputation is often discussed as something to be protected during moments of stress. In volatile environments, this framing is insufficient. Reputation must be built deliberately in advance of the moments when it will be tested.

Leaders frequently underestimate how quickly reputational headroom can be consumed. A single strategy pivot may require stakeholders to accept uncertainty, absorb near-term pain, or revise expectations. Without prior credibility, that request is met with skepticism. With it, stakeholders are more willing to extend latitude.

The critical insight is that reputation cannot be accelerated on demand. It accumulates through consistent leadership behavior over time: clarity, alignment, candor, and engagement. Organizations that invest in these behaviors before a pivot find that stakeholders grant permission more readily when change occurs. Those that wait until a pivot is announced often discover that they are negotiating from a position of weakness.

For leaders, this means reframing reputation from a defensive concern to a strategic investment. It is not something to be addressed only when things go wrong. It is something to be cultivated continuously so that when assumptions break — and they will — the organization has the permission to adapt.

CORPORATE AFFAIRS:
Now Determines Execution Velocity

As strategy becomes more fluid, execution increasingly hinges on how quickly leaders can align stakeholders behind change. In this context, corporate affairs has moved from the periphery of leadership to its center.

This is not because corporate affairs "owns" reputation, but because it operates the system through which permission is built and activated. Insight determines whether leaders understand the true constraints they face. Influence determines whether reputation is deployed effectively to reduce friction. Adaptability determines whether legitimacy is sustained across repeated change.

Organizations that treat corporate affairs as a reactive communications function discover that execution slows precisely when speed matters most. Strategy decisions are delayed, watered down, or abandoned due to anticipated backlash. Momentum is lost not because leaders lack conviction, but because they lack confidence that stakeholders will follow.

By contrast, organizations that elevate corporate affairs as an operating system move faster with greater discipline. Leaders are clearer about where resistance will emerge and how to manage it. They sequence decisions more effectively. They explain change in ways that preserve credibility rather than erode it.

For leaders, the implication is unavoidable: execution velocity is now a reputational capability. The ability to adapt under pressure depends not just on strategic insight, but on whether the organization has built the system required to sustain permission.

THE LEADERSHIP TEST AHEAD

Taken together, these implications redefine what it means to lead through uncertainty to get to the competitive advantage. Leadership is no longer about minimizing change. It is about managing it without losing legitimacy.

Strategy will evolve. Assumptions will break. External realities will continue to intrude. The leaders who succeed will be those who recognize that permission is as critical as direction — and who build the reputational and organizational capacity to sustain it over time.

That is the essence of a License to Lead.

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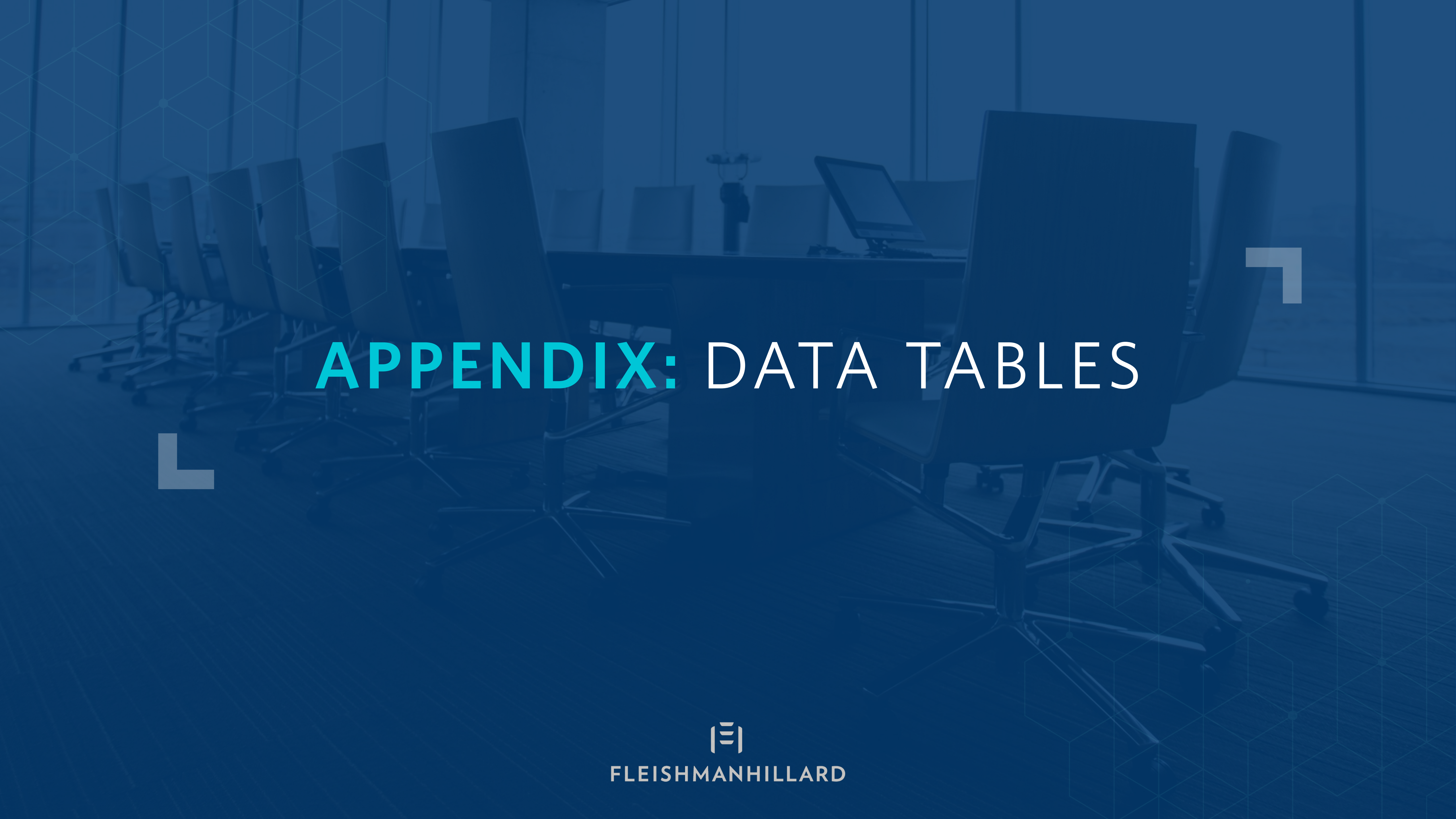

APPENDIX: DATA TABLES

FLEISHMANHILLARD

Q: To what extent do you agree or disagree with the following statement: "The current business environment is more unpredictable and disruptive than it was three years ago."

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Strongly agree	32%	29%	29%
Agree	52%	54%	53%
Disagree	13%	14%	13%
Strongly disagree	3%	4%	5%

FLEISHMANHILLARD

Q: What are the top factors creating the most significant uncertainty for businesses today? Please select up to three.

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Geopolitical conflicts and instability	34%	28%	30%
Economic volatility (e.g., inflation, recession risk)	54%	41%	42%
The pace of technological change (e.g., AI integration)	37%	35%	36%
Domestic political polarization	26%	21%	26%
Changing trade policies and regulations	39%	33%	29%
Supply chain disruptions	19%	24%	19%
Cybersecurity threats and data privacy issues	32%	37%	33%
Societal expectations on issues like sustainability and diversity	20%	33%	37%
Talent shortages and shifts in the workforce	24%	31%	32%

Q: How prepared do you believe most large organizations are to lead effectively during future periods of disruption?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Very prepared	15%	44%	36%
Somewhat prepared	57%	53%	59%
Not very prepared	25%	3%	5%
Not at all prepared	3%	0%	1%

Q: Looking ahead, which of the following qualities will matter most for business leaders to succeed over the next decade?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Ability to anticipate risks	34%	31%	31%
Ability to communicate clearly and simply	40%	40%	43%
Ability to build coalitions and partnerships	25%	33%	33%
Ability to navigate political or social issues	33%	32%	35%
Ability to adapt quickly to change	51%	39%	29%
Ability to demonstrate empathy	26%	28%	30%
Commitment to creating long-term societal value	34%	38%	41%
Ability to effectively communicate about changes and pivots	37%	42%	42%

Q: How optimistic or pessimistic are you that leaders across each of the following will successfully address major challenges in the next 10 years?

Policy Stakeholders (n=150)	Very Optimistic	Somewhat Optimistic	Somewhat Pessimistic	Very Pessimistic
National government	53%	35%	9%	3%
Local government	50%	38%	7%	5%
Large companies	44%	41%	9%	6%
Non-governmental organizations	49%	41%	9%	2%
Scientific and academic institutions	49%	39%	9%	3%
News and media organizations	42%	47%	6%	5%

Engaged Consumers (n=4,000)	Very Optimistic	Somewhat Optimistic	Somewhat Pessimistic	Very Pessimistic
National government	22%	33%	25%	20%
Local government	17%	41%	30%	12%
Large companies	20%	46%	24%	10%
Non-governmental organizations	16%	51%	26%	6%
Scientific and academic institutions	34%	49%	13%	4%
News and media organizations	15%	40%	31%	14%

Executives (n=1,400)	Very Optimistic	Somewhat Optimistic	Somewhat Pessimistic	Very Pessimistic
National government	46%	42%	9%	4%
Local government	44%	45%	8%	4%
Large companies	49%	41%	7%	4%
Non-governmental organizations	44%	45%	8%	4%
Scientific and academic institutions	47%	43%	7%	3%
News and media organizations	41%	43%	10%	6%

FLEISHMANHILLARD

Q: How much confidence do you have that leaders across each of the following will act in the best interest of society?

Policy Stakeholders (n=150)	A lot	Somewhat	Not very much	Not at all
National government	57%	37%	4%	3%
Local government	52%	41%	3%	3%
Large companies	41%	50%	5%	5%
Non-governmental organizations	50%	43%	3%	3%
Scientific and academic institutions	47%	44%	7%	1%
News and media organizations	44%	48%	4%	4%

Engaged Consumers (n=4,000)	A lot	Somewhat	Not very much	Not at all
National government	24%	34%	25%	17%
Local government	19%	44%	27%	10%
Large companies	19%	44%	28%	9%
Non-governmental organizations	17%	52%	25%	6%
Scientific and academic institutions	40%	46%	12%	2%
News and media organizations	15%	41%	32%	12%

Executives (n=1,400)	A lot	Somewhat	Not very much	Not at all
National government	50%	44%	4%	2%
Local government	48%	46%	4%	2%
Large companies	51%	44%	4%	2%
Non-governmental organizations	46%	48%	5%	1%
Scientific and academic institutions	50%	46%	2%	2%
News and media organizations	44%	46%	6%	3%

Q: When you observe conflicting or inconsistent messages from a company's leadership, how does it affect your confidence in that company?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
It greatly decreases my confidence in that company	48%	24%	21%
It somewhat decreases my confidence in that company	44%	53%	57%
It has no impact on my confidence in that company	6%	20%	21%
I rarely notice this	2%	4%	1%

Q: In the past 12 months, which of the following have you done after a company's action caused you to lose confidence in them?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Stopped buying or significantly reduced my spending with the company	58%	44%	46%
Publicly criticized the company (e.g., online review, social media post)	28%	40%	36%
Privately advised friends or family against the company	40%	37%	45%
Switched to a competitor's product or service	50%	40%	38%
Other; please specify	1%	0%	1%
I have not taken any action even though a company's actions have caused me to lose confidence in them	8%	10%	7%
I have not taken any action; a company's actions have not caused me to lose confidence in them	8%	9%	7%

Q: Which factor most strongly determines whether a company has "earned the right" to lead during periods of change?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Clear and consistent communication	21%	24%	23%
Demonstrated ethical behavior	24%	12%	9%
Strong financial performance	13%	13%	12%
Genuine stakeholder engagement	12%	15%	19%
Transparency about challenges	14%	16%	9%
A compelling long-term vision	15%	20%	27%

Q: How important are each of the following qualities for a business leader to earn your confidence in them?

Policy Stakeholders (n=150)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Integrity and honesty	69%	30%	1%	0%
Competence and decision quality	69%	31%	1%	0%
Consistency of communication	60%	39%	1%	0%
Accountability when things go wrong	61%	38%	1%	0%
Clarity of vision	55%	44%	1%	0%
Understanding stakeholder needs	63%	35%	1%	0%
Transparency about risks and challenges	55%	43%	2%	0%

Engaged Consumers (n=4,000)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Integrity and honesty	76%	19%	4%	1%
Competence and decision quality	66%	29%	5%	1%
Consistency of communication	60%	35%	5%	1%
Accountability when things go wrong	74%	21%	4%	1%
Clarity of vision	60%	33%	7%	1%
Understanding stakeholder needs	53%	38%	8%	1%
Transparency about risks and challenges	61%	32%	6%	1%

Executives (n=1,400)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Integrity and honesty	60%	38%	2%	0%
Competence and decision quality	61%	37%	2%	0%
Consistency of communication	59%	39%	2%	0%
Accountability when things go wrong	61%	37%	2%	0%
Clarity of vision	58%	40%	2%	0%
Understanding stakeholder needs	57%	41%	2%	0%
Transparency about risks and challenges	60%	38%	2%	0%

Q: When thinking about major companies today, how often do you feel their leaders demonstrate these qualities?

Policy Stakeholders (n=150)	Often	Sometimes	Rarely	Never
Integrity and honesty	45%	49%	5%	1%
Competence and decision quality	39%	57%	4%	0%
Consistency of communication	45%	49%	5%	1%
Accountability when things go wrong	49%	43%	7%	0%
Clarity of vision	44%	49%	7%	1%
Understanding stakeholder needs	48%	45%	7%	0%
Transparency about risks and challenges	49%	42%	8%	1%

Engaged Consumers (n=4,000)	Often	Sometimes	Rarely	Never
Integrity and honesty	23%	44%	28%	5%
Competence and decision quality	28%	52%	19%	2%
Consistency of communication	24%	50%	23%	3%
Accountability when things go wrong	22%	41%	31%	6%
Clarity of vision	26%	52%	20%	2%
Understanding stakeholder needs	24%	51%	22%	3%
Transparency about risks and challenges	21%	45%	29%	5%

Executives (n=1,400)	Often	Sometimes	Rarely	Never
Integrity and honesty	44%	46%	8%	2%
Competence and decision quality	43%	48%	7%	2%
Consistency of communication	42%	48%	8%	2%
Accountability when things go wrong	40%	47%	10%	2%
Clarity of vision	44%	47%	8%	1%
Understanding stakeholder needs	43%	48%	8%	2%
Transparency about risks and challenges	40%	49%	9%	2%

Q: How important is it that companies explain how decisions impact the following stakeholder groups?

Policy Stakeholders (n=150)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Customers	56%	43%	1%	0%
Employees	53%	45%	1%	0%
Communities	58%	41%	1%	0%
Investors	58%	42%	0%	0%

Engaged Consumers (n=4,000)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Customers	73%	24%	3%	0%
Employees	69%	27%	4%	0%
Communities	51%	41%	7%	1%
Investors	57%	35%	7%	1%

Executives (n=1,400)	Very Important	Somewhat Important	Not Very Important	Not At All Important
Customers	60%	39%	1%	0%
Employees	57%	41%	1%	0%
Communities	54%	45%	1%	0%
Investors	58%	41%	1%	0%

Q: Which actions make you feel a company is genuinely listening to stakeholders?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Regular opportunities for feedback	40%	43%	39%
Transparent reporting on progress and challenges	54%	53%	55%
Adjusting decisions based on stakeholder input	46%	51%	49%
Open dialogue with employees, customers, or communities	63%	49%	48%
Community investment or participation	29%	35%	38%
Public acknowledgment of stakeholder concerns	45%	46%	49%
None of these	0%	0%	0%

Q: Overall, how well do companies today balance "saying the right things" with "doing the right things"?

	Engaged Consumers (n=4,000)	Executives (n=1,400)	Policy Stakeholders (n=150)
Very well	15%	44%	33%
Somewhat well	49%	51%	63%
Not very well	31%	4%	4%
Poorly	5%	1%	0%

THANK YOU

FLEISHMANHILLARD