

****Event with the author - Wednesday, October 25, 2023
See end of this report for details***

“Boards should review and refresh companies’ plans to communicate core values to counter threats from now ubiquitous generative AI products that allow anyone to hijack carefully crafted corporate stories.”

*– Susan King, Dean Emeritus, John Thomas Kerr Distinguished Professor at
UNC Hussman School of Journalism & Media*

October 18, 2023

Reputational Risk in the Era of Deep Learning AI ***How Boards Prepare and Fight Back***

By Susan King

ChatGPT, GoogleBard, and Bing AI Chat are among those new AI technologies about to transform how corporate communications teams work. These new AI tools will streamline mundane communication operations and also challenge the very essence of what corporations stand for and how corporate communicators lead. These disruptive and rapidly accepted AI products are challenging who is in control of the corporate message. Yet, they also challenge institutions to articulate the essential values of a company internally and externally more effectively at a time when it really matters.

Behind the transformative leap forward that AI presents is the risk of rogue content creators cloning the sound and look of corporate leaders – what are called Deep Fakes. Since Deep Fakes first emerged in 2017, the ability to create realistic videos has improved exponentially. It means anyone can create videos of leaders speaking untruths and spread them with breakneck speed in the world of social media. Deep Fakes disrupted the 2023 prime minister campaign in Slovakia and have appeared already in US presidential primary advertisements. Ad scams are proliferating on social media that hijack well-known celebrities’ images.

Reputational risk is real in this era of AI. The need to double down on communicating an organization’s key values – along with a leader’s ability to express those values — is the opportunity at hand. Real threats aside, board leaders have both an opportunity and a responsibility to ask and better communicate the basic questions that define the mission of an organization. Partisan politics, confounding culture wars, and debates about social values will loom large in the 2024 election year. Add combustible issues with AI and you have new threats that demand refreshed communication plans.

The Future is Here and It's Both a Threat and Opportunity

AI is making Chief Communication Officers' (CCO) jobs both easier and more challenging. Reputation is a CCO's mandate and understanding change and responding to the zeitgeist demands both a scientific and creative response. The Page Society, the premier global professional organization for senior corporate communication executives, described the dilemma in a recent blog:

"The future is an evolution of the past. It is also a reflection of new and different elements painting a world of diverse and special gifts for society. For CCOs, assessing the current state of your business and competitive landscape, employee experience, leadership priorities, customer expectations, and potential risks is the first step in channeling the future."

-Gary F. Grates is Principal and Managing Director of GConsulting Group

Understanding the plans, preparations and preventive first steps in a communication teams' arsenal isn't just a nice thing for board directors to know. In the era of sharply increasing deep fakes, clear company values are a first line defense against an all-out attack on the very essence of what a company stands for and its reputation with stakeholders.

Questions Board Members Should Consider

- Do you understand the plans in your communication teams' arsenal to counter deep fake attacks?
- Have you had a conversation with the CCO about how the company is transmitting essential values and mission?
- How is the Chief Communication Officer working with IT and HR on risks?
- In creating and explaining the company values, does the Comm team have a strong, representative group of employees at all levels who are feeding into company values and talking points?
- How do the CEO and senior officers receive input from employee groups and stakeholders? Are there regular, informal lunches with front line employees to communicate corporate values and gain employee feedback?
- How are communications teams identifying employee perception of the CEO's reputation? How are communications teams measuring the reputation of the CEO and other leaders within the organization?

Deep Fakes – Beware and Prepare

Tech companies are scrambling to create protocols that will detect and prohibit Deep Fakes in advertisements or at least make clear that images that have been manipulated and changed are labeled as such. But what do companies and leaders do when suddenly Deep Fakes of their CEO appear telling the public or their workforce something totally false? Social media and informal networks offer easy and free digital channels open to mischief. In fact, email has become a platform of choice according to a Bank of America report: "Two out of three cyber security professionals saw malicious deep fakes used as part of a strike against businesses in 2022, a 13% increase from the previous year, with email as the top delivery method." In an age of video conferencing, Zoom and recorded meetings, there are plenty of videos of men and women leaders who are not high-profile candidates for the White House or Congress.

Like any of the risks in this digital age of AI, preparation is key. It's not enough to simply mitigate against the creation of Deep Fakes if a person is a public figure, giving speeches, attending conferences, and appearing on Zoom. Their voice and visage are available for increasingly easy hijacking. Leaders can't hide and you wouldn't want them to bury their head and their talent in the sand.

In fact, rather than hide from cameras and microphones, I believe leaders need to be more available, more visible, more connected to their publics so that distinguishing emotions, characteristics, and their values are as evident as the words they say and as visible as what they look like.

Authenticity matters. In today's digital world consumers of tech can tell when something feels "off."

Communication is more than articulating a set of talking points. Corporate leaders, whether men or women, have a distinctive way of projecting. An individual's walking gait, hand gestures, verbal phrasing and levels of intensity say something about the individual personality and is the essence that connects a person with audiences. It is the emotional commitment to a set of ideas, a vision or an idea that starts to define a leader's belief system that is the true backbone of leadership. It's a presence that is not so easily reproduced or manipulated.

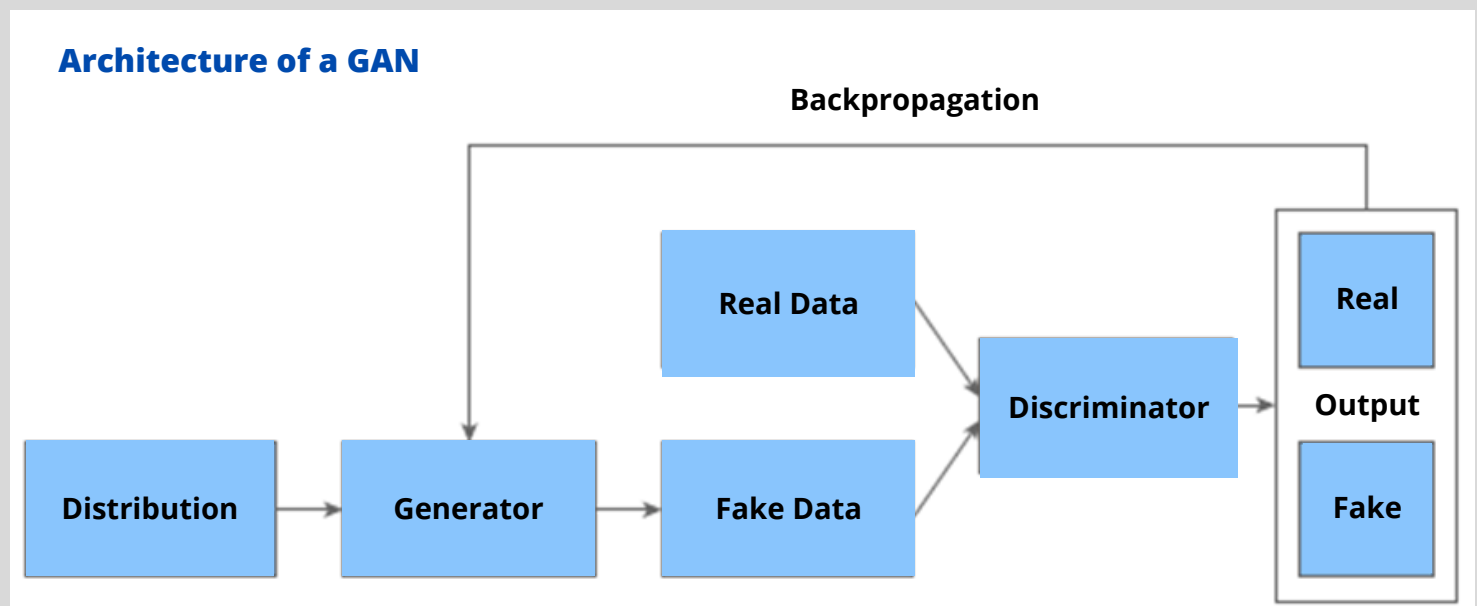
AI capabilities are improving every day. Deep learning AI can scan all the recorded elements of a leader's presentation and reproduce it almost flawlessly. Manufactured messages can clone the sound of a leader's voice and the hand gestures that match. They can convincingly create a message that a person never said. But they can't reproduce the unique personality, vision or underlying belief that animates those words. A leader's and a company's values matter.

Questions Board Members Should Consider

- What are the plans and the tactics for conveying to employees where the CEO and the company stands on serving the public mission? How does the clear financial bottom line connect or conflict with soft culture values such as environment, diversity and social good? Has the board talked about these values and culture recently to be sure it stands the test of time?
- Has the board gone through scenario planning exercises with the CEO to see that individual under pressure from a reputational hit by a deepfake attack?
- Values are not data points and often masked with words that appear to be indisputable. Words like patriotism, family focused, and welcoming. Diving deeper into company values demands peeling back their meaning and implications for the company. Has the organization completed that exercise effectively?

How Are Deep Fake Videos Made?

To generate a deepfake video, the specific deep learning algorithm typically used is called a GAN, short for generative adversarial network. Though there are many variations of GANs, they all use deep neural networks and follow the same simple architecture.



Source: <https://www.brookings.edu/articles/deepfakes-and-international-conflict/>, January 2023

FIGHTING BACK

Becoming a leader with a readily recognizable personality and record of beliefs and values is the foundation on which a leader can fight back against Deep Fakes. A Deep Fake with a leader's voice and image saying something offensive, racist, crude, misogynist or hurtful can appear real and seem to be true. However, if it clashes with the idea of who a man or woman leader is and is squarely at odds with what a leader has established as clear personal values, it is easier for communication teams to fight back.

Any organization's first line of defense will be firm denial: "The CEO did not say what people saw and heard. The image was hijacked, so too the voice. It's false - a Deep Fake."

But why will people believe the denials?

It's in the interest of an organization and a leader to have the public able to instinctively identify a fake. Leaders must stand for a set of principles and must articulate the values central to the mission of the business or institution to mitigate the impact of Deep Fakes. Leaders should actively connect and create relationships that build trust with key constituencies to achieve their goals: customers, clients, politicians, regulators, internal workforces and the media. That's also why interacting with reporters, media and thought leaders at universities or industry conferences is more and more critical in building a public persona and a strong communication plan.

Communication pros have a much less difficult job in making their case about Deep Fakes when they can point to a leader's record of values, positions taken, personal actions of consequence. When they are defending men and women leaders who have a proven record of representing a company's values and contributions in the marketplace, they have a foundation from which to fight. The record makes the difference. It means they are not left defending cardboard copies of CEOs.

Social media demands authenticity. In this dawn of increasingly powerful Artificial Intelligence, when almost anyone can create content and put words in people's mouths, a truly authentic leader must lean into the public role. Writing employee messages in one's own voice, often and consistently, is a critical tool for a leader. Holding town meetings and zoom sessions where a leader answers questions in his or her own words rather than reading highly edited corporate-speak talking points, gives huge workforces an idea of the real man or woman. Appearing on panels, at conferences, on podcasts, TV or radio are more than "nice to do" chores, in today's media world they are all extremely important ways to lead.

As one corporate chief communication leader put it: "Audiences want to witness authentic moments, so it can be an effective way for leaders to raise their profile by being seen, heard and getting their message across in what is often perceived as a more off-the-cuff way." (Axios Communications)

Boards should challenge executive management to prepare. How a CEO communicates an organization's strategy, earnings reports, new product roll outs, budgets and company growth is increasingly important. Deeply communicating a personal and professional ethic of leadership takes time and needs to be built into every action and communication a leader makes. Leaders must build a personal currency of authenticity that is the connective thread with a company's stakeholders.

Board members can't expect the best crisis communication team to save a leader or a company from Deep Fakes if an organization has not built a strong, public facing set of values. Who a leader is and how values are shared with the public will make the difference when an important constituent encounters manipulated video or audio that contradicts highly crafted professional messages. Is it believable? Does it seem true? Or is it off and simply unbelievable?

Trust is built day in and day out and over time.

Questions Board Members Should Consider

- Does the board understand how misinformation around any of these values could change the reputation of the company? Are there two-way conversations with employees and leadership so that all internal stakeholders truly understand what the company stands for?
- The MeToo Movement and Black Lives Matter emerged quickly with more power than ordinarily expected. What is the communications team's plans to detect the emergence of a new movement or trend that has implications for the company's mission?
- What is the organization's social media plan for responding to a Deep Fake attack?
- What are the issues where the company could be most vulnerable? Employee issues? Political issues? Competitor issues?
- How often are there scenario planning sessions with the CEO? Do those sessions include mock interviews and mock press conferences?

RESOURCES

1. Rand Corporation. July 2022, Todd C. Helmus. Artificial Intelligence, Deep Fakes and Disinformation: A Primer.
<https://doi.org/10.7249/PEA1043-1>
2. Provoke Media, AI and the PR industry 2023, April 2023
https://www.provokemedia.com/docs/default-source/default-document-library/sp-pr-ai-report_final.pdf
3. Whitepaper: The Generative AI Revolution is Happening Now. Zeta Global.com 2023
https://zetaglobal.com/whitepaper-generative-ai/?utm_content=whitepaper_generative_ai&utm_adgroup=Marketing_Automation&utm_term=marketing%20intelligence&utm_campaign=NonBrand_Prospecting_Broad_ZMP_Leads&utm_source=adwords&utm_medium=ppc&hsa_acc=7377022347&hsa_cam=20488605354&hsa_grp=159622048224&hsa_ad=671376825560&hsa_src=g&hsa_tgt=kwd-25196900&hsa_kw=marketing%20intelligence&hsa_mt=b&hsa_net=adwords&hsa_ver=3&gad=1&gclid=Cj0KCQjwpc-oBhCGARIsAH6ote_hQr0UD2w5P89947LrmRCYIjVCfleB0A3QZuHGyObSj
4. Social Science Research Network paper, November 2022
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4265619
5. Page Society Page Turner Blog, Carol Cone, September 2023. A Research-based Addition to the CCO's Toolkit on Purpose
<https://page.org/blog/epiq-blog/>
6. Page Society Page Turner Blog, Gary GConsulting Group, The CCO Future Unveiled, July 2023
<https://page.org/blog/the-cco-future-unveiled/>
7. Director Today, Institute of Directors, India. October 2023, Vilas Dhar. Ethics & Technology: The New Frontier of Responsible Board Governance
https://iodglobal.com/uploads/newarticle_pdf/1696423019Ethics_Technology_-_The_New_Frontier_of_Responsible_Board_Governance_-_Mr._Vilas_Dhar.pdf

ABOUT THE AUTHOR

Susan King

Dean Emeritus, John Thomas Kerr Distinguished Professor at UNC Hussman School of Journalism & Media

Susan King is active on nonprofit boards and advises journalism, communication and philanthropy institutions. She is Dean Emeritus of UNC Hussman School of Journalism & Media. As Dean at UNC, Chapel Hill, she held a distinguished professorship and taught courses in journalism, media leadership, and the implications of the media revolution on communications and American society. She has served at the highest levels of Higher Education, Philanthropy and Government, as Assistant Secretary of Labor and Vice President of Carnegie Corporation of New York. For twenty years King was a journalist in Washington, DC in both local and national news and served as White House correspondent for ABC News. She is a founder of the International Women's Media Foundation and a member of the Council on Foreign Relations.



UPCOMING RISK OVERSIGHT EVENT

Join the BRC for a virtual event on **Wednesday, October 25, 2023, from 1:00 PM – 5:30 PM ET**. The theme of the event is *The Accelerated Landscape of Emerging Risks – How Boards Govern When Risks Advance at Warp Speed*. Key risk topics on the agenda include Geopolitical Risk, ESG, DEI, AI, and Political Polarization. **Susan King (author of this *Board Risk Report*) will moderate a panel on AI from 2:30 PM - 3:15 PM**. BRC's goal is to maximize directors' and CROs' risk role on boards by enabling optimal risk oversight and embedding risk considerations into organizational processes. *Don't miss this important event for your risk oversight role.*

REGISTER NOW >



The Board Risk Report is a publication of the BRC and a benefit of membership. Not a member? [**Click here to learn about membership and join today**](#) to receive world-class risk management practices delivered directly to your inbox.

WHO WE ARE

The Board Risk Committee (BRC) is the foremost thought leadership peer council for board risk committee members and chief risk officers. The BRC is a nonprofit, non-competitive, trusted place for the exchange of ideas, strategies, and best practices in enterprise risk oversight. We advocate for having risk committees of boards, where appropriate, and for educating board directors about enterprise risk. The BRC aims to foster more effective risk management and board oversight. The BRC works in partnership with The Santa Fe Group (SFG) and Shared Assessments (SA). SFG is a strategic advisory company providing expertise to leading corporations and other critical infrastructure organizations in the area of risk management. SA is a member-driven organization that provides thought leadership, products, education, and certifications in the third party risk management space. *The Board Risk Report is the periodic publication of the BRC.*

BRC Contacts:

Catherine A. Allen, Founder and Chair of the Board, cathy@boardriskcommittee.org

Ellen Dube, Executive Director, ellen@boardriskcommittee.org

Susan C. Keating, Chief Partnership Officer, susan@boardriskcommittee.org