

BOARD RISK REPORT

SUCCESSFULLY CONFRONTING STRATEGIC RISK:
THRIVE OR SURVIVE

BY SUSAN KING

Senior Fellow, IU Lilly Family
School of Philanthropy
Dean Emeritus, John Thomas Kerr
Distinguished Professor at UNC Hussman
School of Journalism & Media



COMMUNICATING AI INNOVATION: THE SLEEPER ISSUE IN A TIME OF FRANTIC CHANGE

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AI-CENTRIC COMMUNICATIONS ARE CRITICAL
FOR ALL CONSTITUANCIES

The esteemed Senator Daniel Patrick Moynihan loved to tell legislative staff in Washington that the message was the policy. In the lofty circles of Washington's establishment, the policy geeks always outranked the press secretaries and communicators. Or at least they thought so. Moynihan made it clear that how communicators framed a policy and articulated its meaning for the public was what the policy became.

Corporations are racing to keep up with the advances in AI. Strategies focus on how IT can streamline work and advance mission. Few have focused on how to "message" or clearly communicate with their employees or the public. That lack of focus may be a harbinger of reputational risk. More than half of American workers fear that AI will mean they are out of a job. A recent PEW survey indicates those worried about AI in general has grown since OpenAI introduced ChatGPT at the end of 2022.

"Secrecy is for losers.
For people who do not know how
important the information really is."

Senator Daniel Patrick Moynihan

AI

What and how a company thinks and communicates about AI to each of its stakeholders cannot be an afterthought. It must be a first step. And it must be precisely targeted, strategic and value focused. If not, boards and leadership can be tangled in conflict and soon play defense – witness the well covered clash between OPEN AI’s board and its founders in the fall of 2023. (*1) The conflict was a “reputational hit” that will haunt the company for years to come.

With the disruptive emergence of AI, corporate communication leaders are in the middle of every storm. These communications executives must answer to the media, try to define a company’s values and explain inside and outside the organization its mission when tech, not people, dominate. Too often communicators teams are not at the table with AI decision makers.

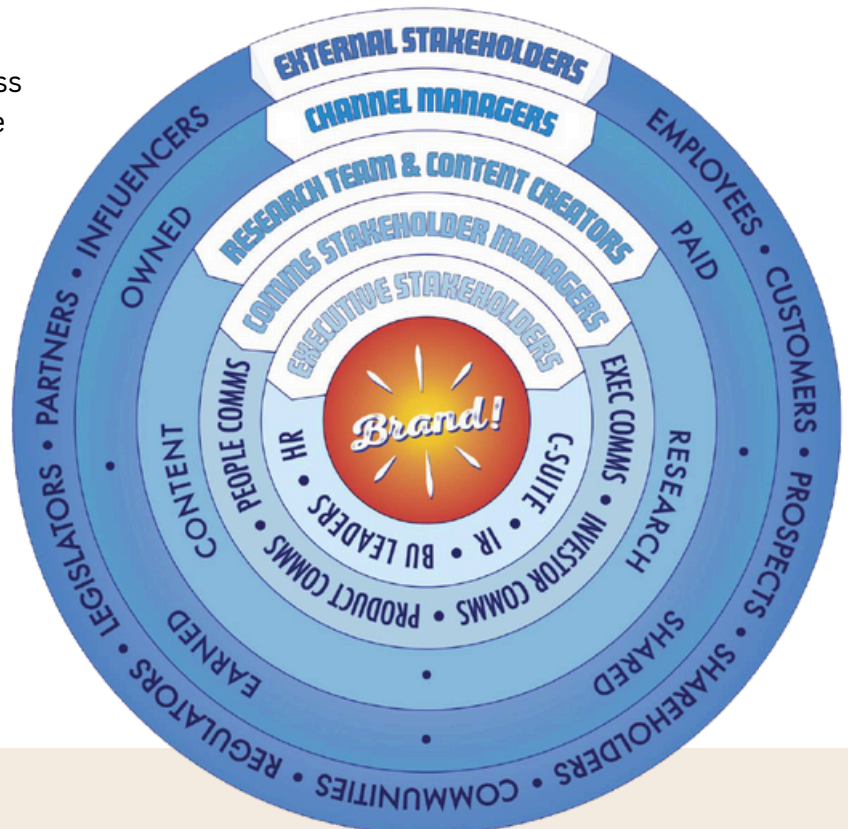
Thought of as the “publicity or marketing pro”, the Chief Communications Officer (CCO) and team too often are brought in at the end of a process to market an idea or product.

Information is not linear in this digital age and strong brands incorporate communication into every level of stakeholder management. AI only accelerates the changes in the structure of corporate communications departments that began with social media. The digital revolution upended how the public gets its information and how businesses must interact with the media to reach their stakeholders. Fiefdoms and siloes are out, communications integrated with marketing and other key corporate departments is in.

Today it’s imperative that communication leaders are fully involved as AI matures across the enterprise. These professionals should be advising the CEO and the board and actively playing a leadership role in any AI-centric communication. Importantly, they should nuance communication with divergent company stakeholders who may feel they have conflicting AI interests.

And these communicators must be loud. As Senator Moynihan put it bluntly:

“Secrecy is for losers.”



AI-CENTRIC COMMUNICATIONS ARE CRITICAL FOR ALL CONSTITUANCIES

Because AI isn't one thing for all companies or institutions it's essential that company leadership aggressively carve out its unique take on artificial intelligence's role in a company's future and how AI will impact key stakeholders (employees, shareholders, communities, customers, etc.). How will AI advance the corporate mission?

Good AI practice demands a **robust governance regime**, with continuing input from key groups across the enterprise, including line and staff functions. While there may be multiple seats at the table, the communications team should ensure appropriate internal and external conversations. If communications team members are not in the room management may well be forced to play catch up. And building a communication plan is not a one-time event. Strategies cannot be written in indelible ink. Collaborative players across a company must be deployed to create strategy and to meet regularly to polish and update it. Competition is fierce in AI development and deployment, and nothing is static in the world of AI.

Communication frameworks that are heavy on corporate values and ethics are essential in this time of uncertainty and media buzz about AI. With trust in short supply, assuring employees, customers and other stakeholders is essential. Communications teams understand that leadership conversations must focus on issues such as privacy, transparency, ethics, discrimination in data, and commitment to the public and employees. Leadership needs clarity around often competing goals that AI presents. Communicators are trained to *force* clarity.

BOARD QUESTIONS

Has the company identified stakeholders for whom AI may mean significantly different challenges and opportunities?

Does management understand how AI will impact company functions in the future?

Has senior leadership discussed with board members the AI values that will drive strategies around this opportunity? Have communicators clarified the values and shared with the public and particularly employees?

Has there been vigorous discussion about what AI means for the company's work and its employees? Is there disagreement? Confusion? Fear? Is the board aware of any employee angst?

What do employees know about how AI will shape the company's future and their own employment security?

FROM DEFENSE TO OFFENSE

Educating the Workforce

Since the arrival of regenerative AI, the negative public perception of its role in American life has grown. The share of Americans who are concerned about AI in daily life is up 14 percentage points since December 2022, when 38% expressed this view, according to a recent Pew survey. And now, the term “adversarial AI” has become a common part of the risk management lingo. Understanding the threat AI now poses to a company is as important as determining how it can technically accelerate a company’s future. Beyond focusing on how a company will deploy AI, boards need to focus on the simple education of employees about this new technology.

A 2024 survey by Authority Hacker found that more than half of America’s workers— and in large companies almost 75% of workers— worry about losing their jobs to AI. A strategy that focuses on educating workers about how AI works and what it offers is one way to go on the offensive rather than dealing with basic negative questions and employee fears.

In the era of social media, corporate communicators have become the frontline listening post monitoring the fractionalized media world of segmented audiences. They not only monitor, but also analyze social media narratives. When working at strength, communication teams form an intelligence network detecting problems before they become public. They then advise leadership as well as produce important messages that can respond to emerging challenges before they become reputational “hits.”

And since most corporate communication teams are now sophisticated about social media powerhouses such as Instagram, Tik Tok, Reddit and more – all that move the culture at 24/7 speed— they are positioned to play a stronger strategic role in shaping a company’s future.



How has the corporation documented and communicated its ethical values around privacy, use of data, surveillance, and copyright and how they foot to emerging AI capabilities?

Does the board have an accurate understanding of AI communication stakeholders?

Has the company shared its view of how AI can help advance the mission of the company?

Has the company created and implemented an AI 101 course to give stakeholders confidence of where the organization sees itself on the AI front lines while giving them important new skills.

What do employees know about how AI will shape the company’s future and their security?

WHO IS IN CHARGE?

Engineers and computer scientists will shape how new technology can interface with a company's business but it's the communicators who will make it real for those inside and outside the company. As Moynihan said: the message is the policy.

AI generated Deep Fakes were identified by CEOs at the 2024 World Economic Forum in Davos as their number one worry. Deep Fakes could upset the political dynamics of elections around the world and have already had an impact; they could also challenge corporate leaders and employees caught up in controversies. How companies communicate the threat of Deep Fakes, how they educate their employees about AI threats and how they communicate the planned use of AI in the organization's business model will have a direct bearing on the culture of an organization. Trust rests in the balance. (*2)

In this age of distrust, most Americans, most workers, are ready to believe the worst about their supervisor or a top leader. Witness the troubles at Boeing that were fueled by employees who doubted the ethics and current culture of this legacy American powerhouse. Focusing on trust is the work of communicators. They ask the engineers, the financial gurus, the production teams tough questions to better understand vulnerability and shortcomings. Then they build an offensive strategy because they understand what's needed for defense.

Despite the need for clear communication, corporate communicators across the country say they have been left out of AI strategy decisions. Axios's newsletter on AI recently reported that according to a Seven Letter insight survey, only half of communication professionals report having internal policies and reporting requirements for AI use.

Boards are not living up to their responsibility if they haven't heard from company communicators and understand how a company defines and shares its values and plans for a world in which AI will soon be as commonplace as the computer.

BOARD QUESTIONS

In light of the board discord at **OPEN AI** with leadership around what a non profit owed the public, shouldn't there be a frank, deep-dive discussion with the board about AI's promise and peril?

How experienced is the corporate communications team? Has the team been front and center with the board or sidelined?

Does the organization's website clearly express the firm's AI values?

Footnotes:

*1. The board of Open Ai fired CEO and founder Sam Altman of the nonprofit for failing to clearly communicate his plans to build a for profit arm that attracted investors. The board saw a conflict over mission. Leadership called it a coup and within weeks the CEO was back in the front office and a new board was in place.

*2. BRC Report, October 18, 2023
Reputational Risks in an Era of Deep Learning AI
Board_Risk_Report_Oct18_2023_Reputational_Risk_Susan_King

Sources:

[Pew Survey on American's Attitudes on Artificial Intelligence, November, 2023](#)

[Authority Hacker survey on workers' attitudes, Spring 2024](#)

[Pew Trust Survey, September, 2019](#)

[Axios AI Newsletter, Spring, 2024](#)

[The Strategically Structured Communications Department 6-18-20.pdf](#)

[For Adversarial AI: CrowdStrike website paper](#)

[Additional Open AI insight: NY Times](#)

[For Communications Department Structure \(watch for an updated article\)](#)

**ABOUT THE AUTHOR****SUSAN KING**

Senior Fellow, IU Lilly Family School of Philanthropy
 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.

BRC Webinar Featuring Susan King September 17, 2024

BRC
BOARD RISK COMMITTEE

**COMMUNICATING AI INNOVATION
 THE SLEEPER ISSUE IN A TIME OF
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Susan King
 Senior Fellow, IU Lilly Family School of Philanthropy, Dean Emeritus, John Thomas Kerr Distinguished Professor at UNC Hussman School of Journalism & Media

Alison W. Dowe
 Chief Communications & Sustainability Executive
 Enterprise Level Leader & Board Candidate

September 17, 2024
 11:00am-12pm EST

Live Webinar

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The Board Risk Committee (BRC) is a nonprofit, non-competitive thought leadership peer forum dedicated to Board Risk Committee members and Chief Risk Officers (CROs). The BRC is a trusted place for the exchange of ideas, best practices, and topics of interest.



SUSAN C. KEATING
BRC CEO



CATHERINE A. ALLEN
BRC FOUNDER AND CHAIR

CONTACT INFORMATION

Catherine A. Allen, Founder, Chairman, Board Risk Committee
cathy@boardriskcommittee.org

Susan C. Keating, CEO, Board Risk Committee
susan@boardriskcommittee.org

