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Future of Professionals C-Suite Survey

*CEOs are optimistic but cautious
about short-term priorities and
Gen AI's future impact*

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CEOs are optimistic but cautious about short-term priorities and Gen AI's future impact

Any corporation is naturally made up of numerous departments and separate functions that, theoretically at least, pull together to move forward as a single unit. However, for all the oars to be pulling in the same direction, it's important that the priorities of the management group, department leaders, and employees are more or less aligned with a singular view of what is important for the company to achieve, focus upon, and execute for success.

Following the success of Thomson Reuters *Future of Professionals* report, which focuses on the predictions of legal, tax, and risk & compliance professionals themselves, this new report gathers the insights of C-Suite members of companies and how they see the future. We explore what the C-Suite view as their short-term priorities for their organizations, as well as their perspectives on generative artificial intelligence (Gen AI), one of the most game-changing innovations impacting companies today. Further, we compared the C-Suite's responses to those from our previous research.

Most notably, in this survey report, a thread of C-Suite optimism tempered with a healthy dose of caution — especially around Gen AI use and the future business environment — runs throughout.



Executive Summary

It's a common refrain heard in most corporate offices today, C-Suite executives face a myriad of competing demands on their attention — galloping innovation that threatens to leave slow adapters behind, constant pressure around budgets and rising expectations in key metrics like profit growth, and often-hard-to-read and shifting customer preferences.

So, it's perhaps not surprising in undertaking this survey of C-Suite executives, we found that two of their top organizational priorities were improving efficiency/reducing costs, and increasing customer satisfaction — two priorities that strongly line up behind goals of company sustainability and financial success. Also not surprising, was when we asked how C-Suite members define success, respondents said they point to their company's revenue and profit growth.

What was even more interesting was when we broke out our data to separate company CEOs (which made up 51% of our survey respondents) from the rest of the C-Suite respondents, we saw that fewer CEOs rated such factors as increasing customer satisfaction or improving employee engagement & well-being as high priorities, compared to the overall C-Suite. Perhaps this just reflects what individual CEOs see as their role in the company, assuming — likely correctly — that others will pick up the slack on these areas, and there are more pressing (read, *financial*) matters on which the CEO should focus.

Noteworthy too, was when we looked at past responses around questions of top priorities when we surveyed legal, tax, and risk & compliance department professionals. Overall, the top priorities of these company functions align pretty well with what their C-Suites are expecting of them. However, in all three functions, there are instances of misalignment — especially in cases in which the departments are valuing their respective roles much higher than is the C-Suite, like in improving efficiency or enabling company growth. Indeed, these misalignments offer an opportunity for department leaders to demonstrate to company leadership the value that the department is bringing to these areas.

Speaking of alignment, the C-Suite's views on generative AI well complement their top three priorities — digital transformation, improving efficiency/reducing costs, and increasing customer satisfaction — with many C-Suite respondents saying they feel Gen AI can be leveraged to achieve these priorities and that all three priorities are good use cases for Gen AI.

And while 91% of C-Suite executives say their organization is already using Gen AI or has plans to do so within the next 18 months, a majority of respondents also said they have some concerns around Gen AI.

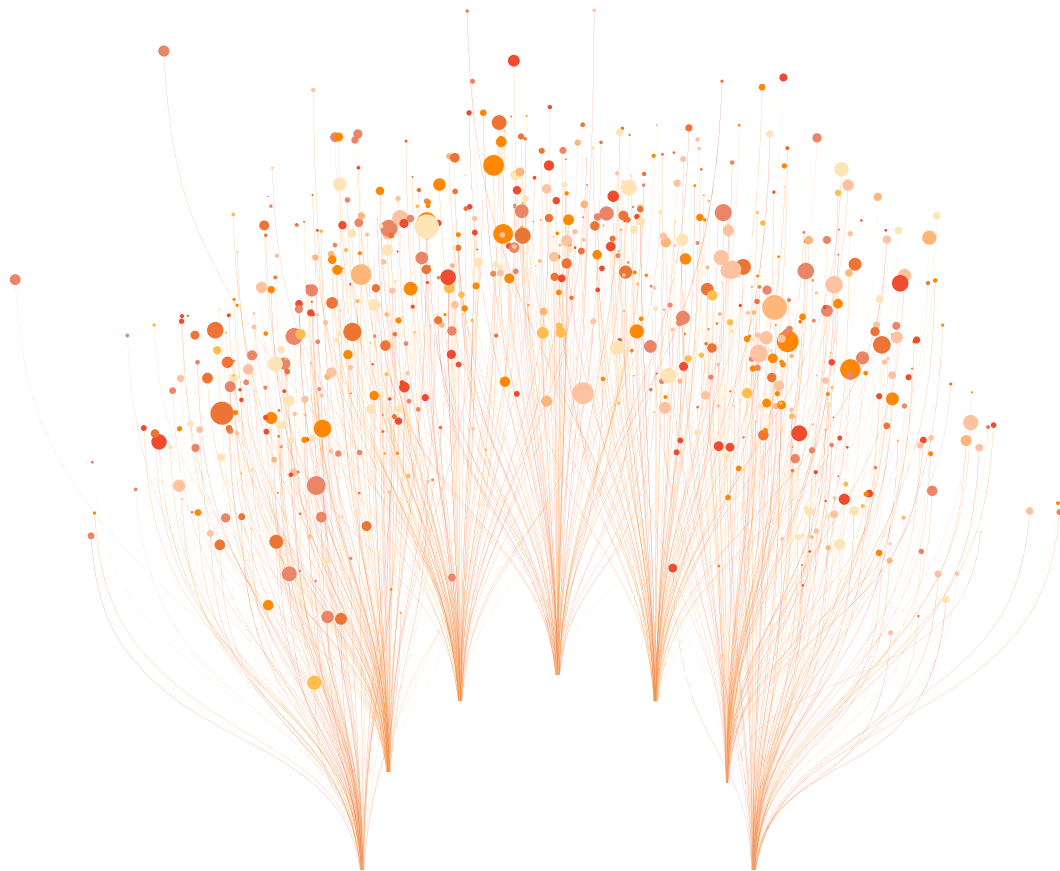
Again, C-Suite optimism tempered with caution.

Methodology

At the request of the Thomson Reuters Institute, business intelligence and custom research firm Morning Consult conducted an online survey of 148 C-Suite respondents in the United States, United Kingdom, and Canada between October 2 and 10, 2023. Due to the audience, the responses are unweighted, and the margin of error is ± 8 percentage points.

Survey respondents worked at a business or corporation with an annual revenue of \$200 million or more (or equivalent foreign currency) and had one of the following job titles: Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, Chief Operations Officer, Chief Product Officer, Chief Revenue Officer, Chief Strategy Officer, Chief Technology Officer, or President.

Supplementary data from the Thomson Reuters Institute's *Future of Professionals* and *Risk & Compliance* surveys has been included where appropriate, in order to compare C-Suite views with those of professionals in corporate law, corporate tax, and risk & compliance functions.



PART 1:

What are C-Suite executives' short-term priorities?

When asked to identify their five highest priorities for their organization over the next 18 months, C-Suite respondents cited top goals of moving ahead on digital transformation, with 44% of those surveyed citing this priority; improving operational efficiency (44%), and increasing customer satisfaction (43%). Not surprisingly, all three of these priorities impact the long-term profitability and sustainability of the company to some degree, especially in an unstable market.

Also garnering top mentions were developing and demonstrating ESG practices and standards (36%), improving brand reputation (35%), and increasing employee engagement & well-being (34%). These secondary priorities are important for the long-term operations of the company, but can be seen as less important to company stability.

Figure 1: **Highest priority for the organization in the next 18 months**



Source: Thomson Reuters 2023

Interestingly, when we separate the top priorities cited by just the company CEOs (which represented 51% of our survey sample), as opposed to all of the C-Suite, you get very similar response levels, with less than a 3-percentage point difference, in the priorities of digital transformation, operational efficiency, and ESG development. However, CEOs were much less willing to rate increasing customer satisfaction as high as the overall C-Suite, with just 36% of CEOs citing it as a top priority — a 7-percentage point difference. And regarding employee engagement & well-being, just one-in-four CEOs rated this as a top priority, 9 percentage points less than the overall C-Suite.

How is success defined?

When asked how C-Suite executives defined success for their company, the top responses focused on financial metrics, such as profit and revenue growth, with 61% of all C-Suite respondents citing these two factors. Other indicators, such as revenue, customer retention, and customer satisfaction ratings also were cited as top definitions of company success.

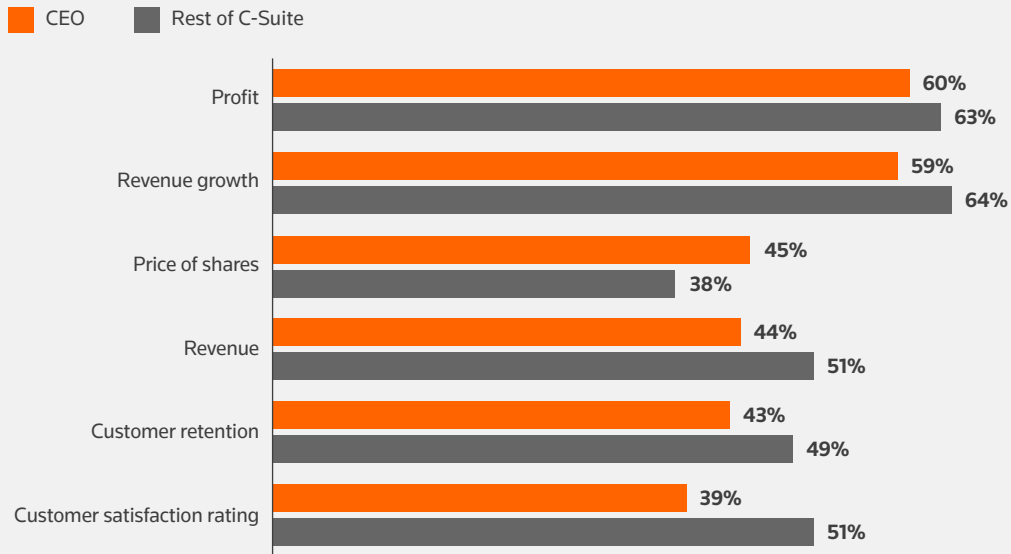


And while CEOs, when broken out separately, stayed close to the overall C-Suite response in profit and revenue growth, CEOs started to diverge in their opinions farther down the list, especially if you compare their responses with the responses from the rest of the C-Suite *without* the CEOs in the mix.

For example, while more than half (51%) of C-Suite members other than CEOs said they rank customer satisfaction ratings as a definition of success, just 39% of CEOs said the same thing. Conversely, while 45% of CEOs rated the price of the company’s shares as an indicator of success, just 38% of the remaining C-Suite members felt the same way.

Figure 3: How CEOs define success differently

Q: How do you, personally, define “success” as it relates to your organization?



Source: Thomson Reuters 2023

Overall, all the C-Suite responses can be placed into four large buckets that correspond to the main organizational goals that business leaders see as their biggest priorities in running their companies.

Figure 4: Four broad organizational goals

| Organizational goal | Specific priorities |
|----------------------|---|
| Financial growth | <ul style="list-style-type: none"> • Organic revenue growth • Financing • M&A • New products/services/markets |
| Operations | <ul style="list-style-type: none"> • Digital transformation • Efficiency/reducing costs • Internal restructuring |
| Customers and talent | <ul style="list-style-type: none"> • Customer satisfaction • Brand/reputation • Employee engagement & wellbeing • Recruitment |
| Safeguarding | <ul style="list-style-type: none"> • Developing/demonstrating ESG practices & standards • Regulatory compliance • Identifying & mitigating risks |

Source: Thomson Reuters 2023

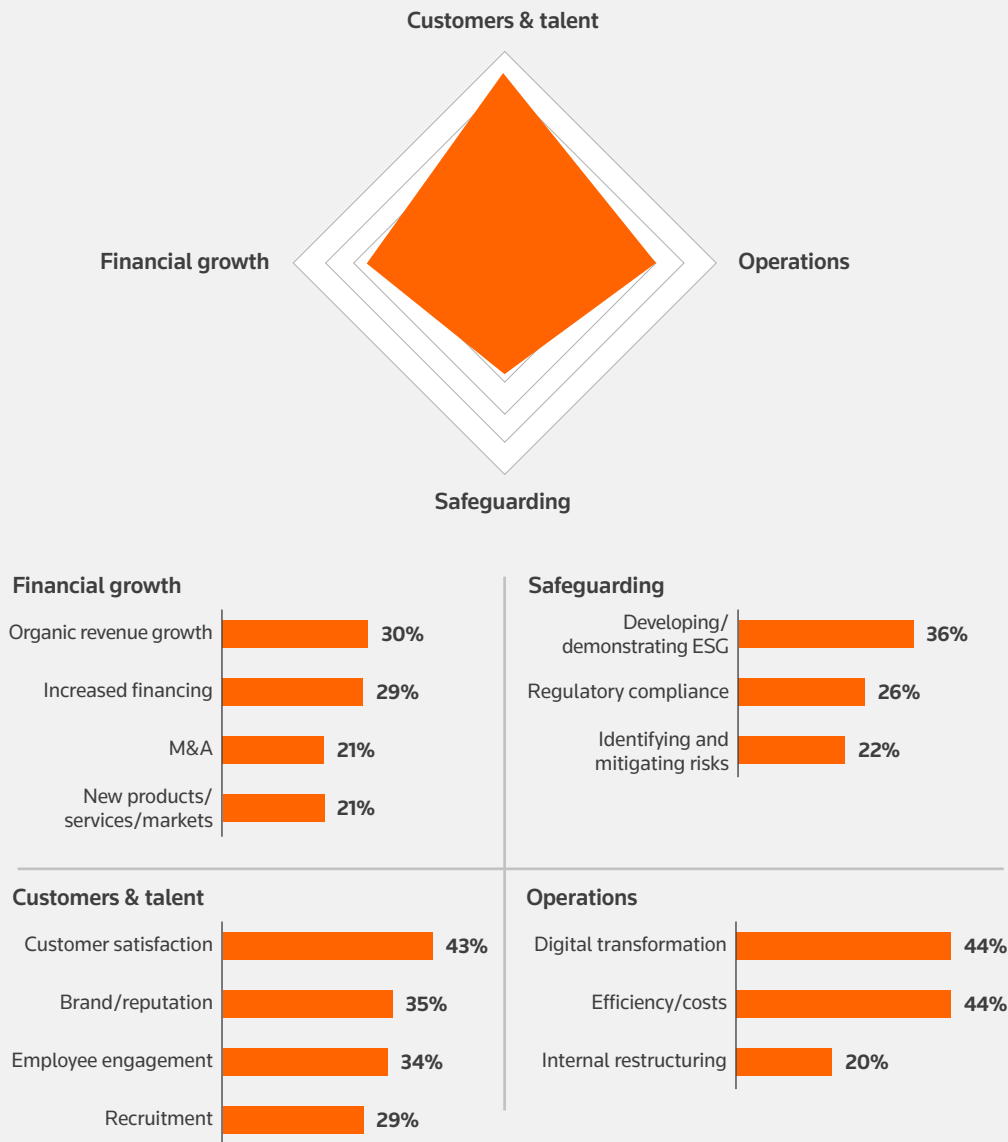
C-Suite members are focused on all four quadrants of the business, of course, and these goals each have specific priorities that underpin their execution and give C-Suite members a clear roadmap to follow in successfully running their companies.

As expected, equal priority among the C-Suite overall is placed on financial growth and operations – an equation that will lead to increased profitability. And C-Suite members, especially those other than CEOs, seem to place particular emphasis on effectively serving external and internal stakeholders, reacting to the Customers & Talent quadrant.

Less common, however, is that there are certain elements of Safeguarding that are prioritized by the C-Suite, especially around issues of ESG.

Figure 5: C-Suite is focused on all four quadrants of the business

Interpretation note: Bar charts show % of C-Suite respondents selecting each item in their top 5 highest priorities. Center chart shows the sum of priorities selected within each quadrant (further from center = more commonly selected).

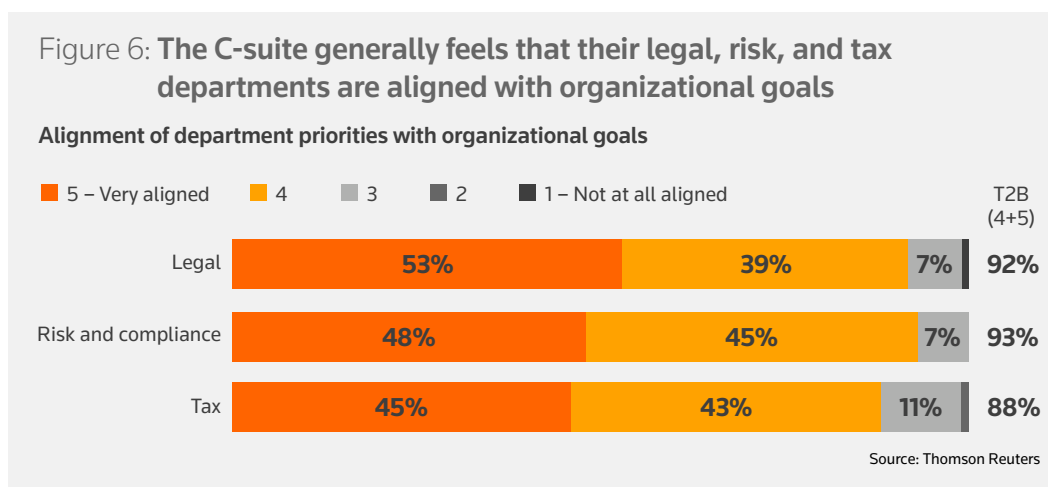


Source: Thomson Reuters 2023

Divergence in priorities between C-Suite and department functions

Overall, a company’s organizational priorities should inform the priorities of each department within a company. However, if you compare priorities among C-Suite respondents to those of corporate department leaders — such as those in the legal, tax, and risk & compliance functions, gathered in other recent surveys by the Thomson Reuters Institute — then it is apparent that this isn’t always the case.

In fact, while C-Suite respondents strongly think their corporate departments’ priorities are aligned with overall organizational goals, a comparison of their expectations and the responses from department leaders shows some notable differences.



Very large majorities of C-Suite respondents rated the alignment of goals of these three departments — on a scale of 1 to 5, with 5 being *very aligned* — either 5 or 4. Indeed, about 92% of C-Suite respondents said their law departments’ priorities were either *aligned* or *very aligned* to those of the overall organization; 93% said that about their risk & compliance function, and 88% said it about their tax function.

Where it gets interesting, of course, is what happens when you ask C-Suite members where they think each department’s priorities *should* lie and compare their expectations to what department members say their priorities *actually* are. For example, among the four broad organizational goals mentioned above, the Customers & Talent quadrant is a heavy focus for the C-Suite and consequently they expect their professional departments to also place high emphasis in this area. However, it is much less of a priority for departments professionals, who may not fully appreciate the extent to which they are expected to align with this organizational focus. The C-Suite also tended to place greater emphasis on improvements to customer service and quality of advice than do the departments themselves.

Another divergence is around Safeguarding, which may not be a high priority for C-Suite respondents, perhaps because it does not drive company success or financials, even though it does prevent potentially costly failure. While C-Suite respondents do recognize the role of corporate departments in protecting the business, they may not fully appreciate both its importance and the time and effort required for this task.

And while Financial Growth is a key organizational goal for C-Suite respondents, it is the quadrant where they tend to see the least opportunity for their departments to assist. While

corporate tax departments tend to be aligned with the C-Suite view on this, both the legal and risk & compliance departments see much more opportunity for their functions to enable company growth.

Generally speaking, C-Suite and department respondents were aligned in the emphasis they both place on Operations, especially around efficiency. However, department respondents said their focus is more on efficiency (and reducing spending, in the case of the legal function) than the C-Suite might expect. Perhaps department leaders themselves can more readily appreciate the opportunities for efficiency gains, especially when it can free up time for department professionals, thus enhancing employee well-being while also enabling departments to deliver more value to the business.

Of course, there are ways for each of the corporate functions to enable and support what the C-Suite sees as the organization's most important goals.

Figure 7: **Departments' four broad organizational goals**

| Organizational goal | Specific priorities | Department goal | Specific priorities |
|---------------------|---|-----------------|---|
| Financial growth | <ul style="list-style-type: none"> Organic revenue growth Financing M&A New products/services/markets | Enable | <ul style="list-style-type: none"> Enable company growth Enable development of new products/ services Enable the company's move into new markets |
| Operations | <ul style="list-style-type: none"> Digital transformation Efficiency/reducing costs Internal restructuring | Efficient | <ul style="list-style-type: none"> Improve internal efficiency Reduce external spending Keep pace with the organization's digitalization Internal restructuring Integrate operations with acquired businesses |
| Customers & talent | <ul style="list-style-type: none"> Customer satisfaction Brand/reputation Employee engagement & wellbeing Recruitment | Effective | <ul style="list-style-type: none"> Improve service to organization Improve quality of advice to organization Train and develop of existing talent Recruit more talent Support wellbeing of people within dept Improve employee engagement within the dept Return to office working |
| Safeguarding | <ul style="list-style-type: none"> Developing/demonstrating ESG practices & standards Regulatory compliance Identifying & mitigating risks | Protect | <ul style="list-style-type: none"> Identify and mitigate emerging risks Keep abreast of regulation/ legislation Reduce volume of disputes/ tax audits/ penalties Collect/report on data relating to ESG Prevent/detect fraudulent customer behavior |

Source: Thomson Reuters 2023

However, while departments may be ultimately achieving what is expected of them by the C-Suite, it seems both sides may have blind spots.

Further, our survey responses suggest a subtle but important difference in the way department professionals are positioned within the organization. The C-Suite may see them as *advisors* or

service providers and so wish them to focus more on quality of advice and service. Yet, the legal and risk & compliance departments at least want to be seen as strategic partners and thus may focus more heavily on enabling business goals.

The view from the legal department

Figure 8: Legal department priorities

Interpretation note: Bar charts show % of C-Suite and legal department respondents selecting each item in their top 5 highest priorities for legal departments. Top chart shows the sum of organizational priorities selected within each quadrant (solid grey), overlaid with sum of legal department priorities – as expected by C-Suite (grey line) and as perceived by legal department professionals (orange line). See e.g. the gap between lines for Effective, indicating C-Suite selected these options much more commonly than did professionals.



As seen above, the corporate legal department sees its ability to enable the company's financial growth goals, especially around the creation of new products or services, as a critical component of its mission. Yet, while the legal department may recognize the importance of this as an organizational priority, the C-Suite appears less likely to fully appreciate the legal department's role in enabling company growth.

This of course goes back to the long-time struggle of many corporate legal departments, the desire to be seen as a strategic partner rather than a simple advisor, or worse yet, a cost center.

Looking at the legal department's views on efficiency, for example, shows another sort of disconnect. While priorities are pretty aligned between the department and the C-Suite, legal department respondents placed a much higher emphasis on efficiency and reducing cost than did C-Suite respondents, perhaps indicating that this was not as important to the C-Suite as the legal department might think.

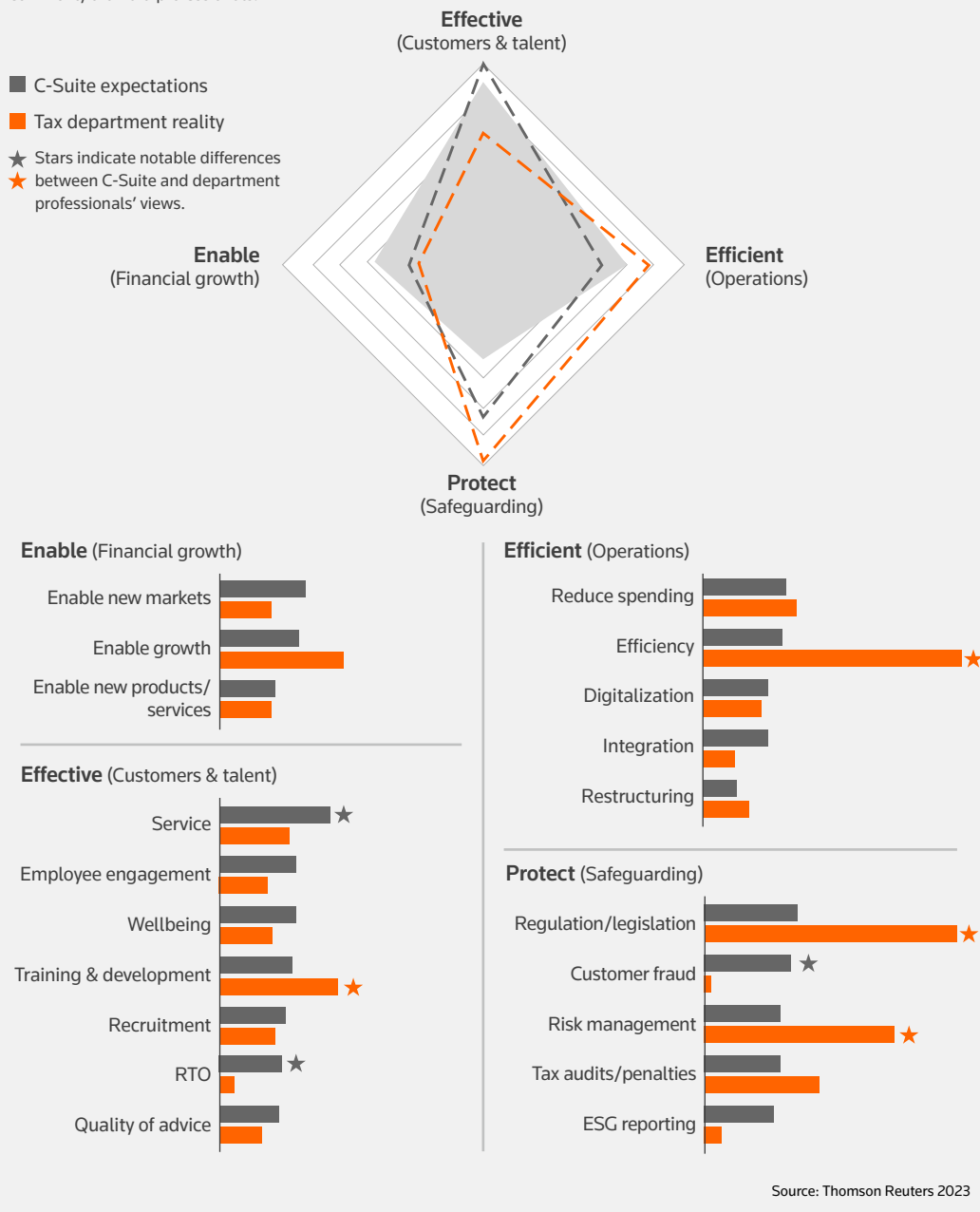
In supporting the organizations goals around Customers & Talent, a clearly identified important area for companies, legal departments may be underestimating the importance of their ability to effectively demonstrate value in this area. For instance, here C-Suite respondents placed much higher emphasis on quality of advice and employee engagement than did legal department respondents.

Conversely, in the area of protection and supporting the company's goal of Safeguarding, the legal department saw their role as much more important — especially around regulation & legislation and risk management — than did the C-Suite. This begs the question of whether corporate legal departments are doing a good enough job in communicating their value in this critical area.

The view from the tax department

Figure 9: Tax department priorities

Interpretation note: Bar charts show % of C-Suite and tax department respondents selecting each item in their top 5 highest priorities for tax departments. Top chart shows the sum of organizational priorities selected within each quadrant (solid grey), overlaid with sum of tax department priorities – as expected by C-Suite (grey line) and as perceived by tax department professionals (orange line). See e.g. the gap between lines for Effective, indicating C-Suite selected these options much more commonly than did professionals.



Similar to corporate legal departments, companies' tax functions are pretty well aligned with the C-Suite; although, like legal departments, there are some areas in which tax departments' priorities — like a focus on efficiency — go beyond how important the C-Suite sees tax departments' role in supporting that organizational goal.

For example, in supporting the C-Suite’s organizational goal of being more effective with Customers & Talent, tax department respondents put a much higher emphasis on employee training on development than did C-Suite respondents, who saw improved service to the company as a higher priority. (Of course, it could be that tax departments may be recognizing improved service as part of their efficiency gains.)

Similar too was the insight around the organizational goal of Safeguarding the company, in which tax departments put much more focus on risk management and regulation & legislation (again similar to legal departments), while the C-Suite wanted a much stronger focus on detecting customer fraud.

Clearly, this data shows that tax departments, like their legal function colleagues, may need to communicate their importance and value to the C-Suite even more, especially in areas in which these two groups seem misaligned.



The view from the risk & compliance department

Figure 10: Risk & compliance function priorities

Interpretation note: Bar charts show % of C-Suite and risk & compliance department respondents selecting each item in their top 5 highest priorities for risk & compliance departments. Top chart shows the sum of organizational priorities selected within each quadrant (solid grey), overlaid with sum of risk & compliance department priorities – as expected by C-Suite (grey line) and as perceived by risk & compliance department professionals (orange line). See e.g. the gap between lines for Effective, indicating C-Suite selected these options much more commonly than did professionals.



Again, the priorities for the C-Suite and their risk & compliance function seem pretty well aligned, although there are some minor points of misalignment, most notably around the organizational goal of addressing Customer & Talent needs.

In that role, C-Suite respondents felt their risk & compliance teams may be falling behind in a host of categories, including employee engagement, quality of advice, and employee well-being.

Conversely, the risk & compliance department respondents seemed to have a singular focus on improving efficiencies as a way of supporting operational goals, outpacing even what the C-Suites sees as the need in that area.

Interestingly, in the organizational goal of Financial Growth, risk & compliance departments see a much bigger role in enabling growth than what their C-Suites are expecting of them. Again, this could be a good opportunity for risk & compliance departments to demonstrate to the C-Suite the department's potential value in this area.

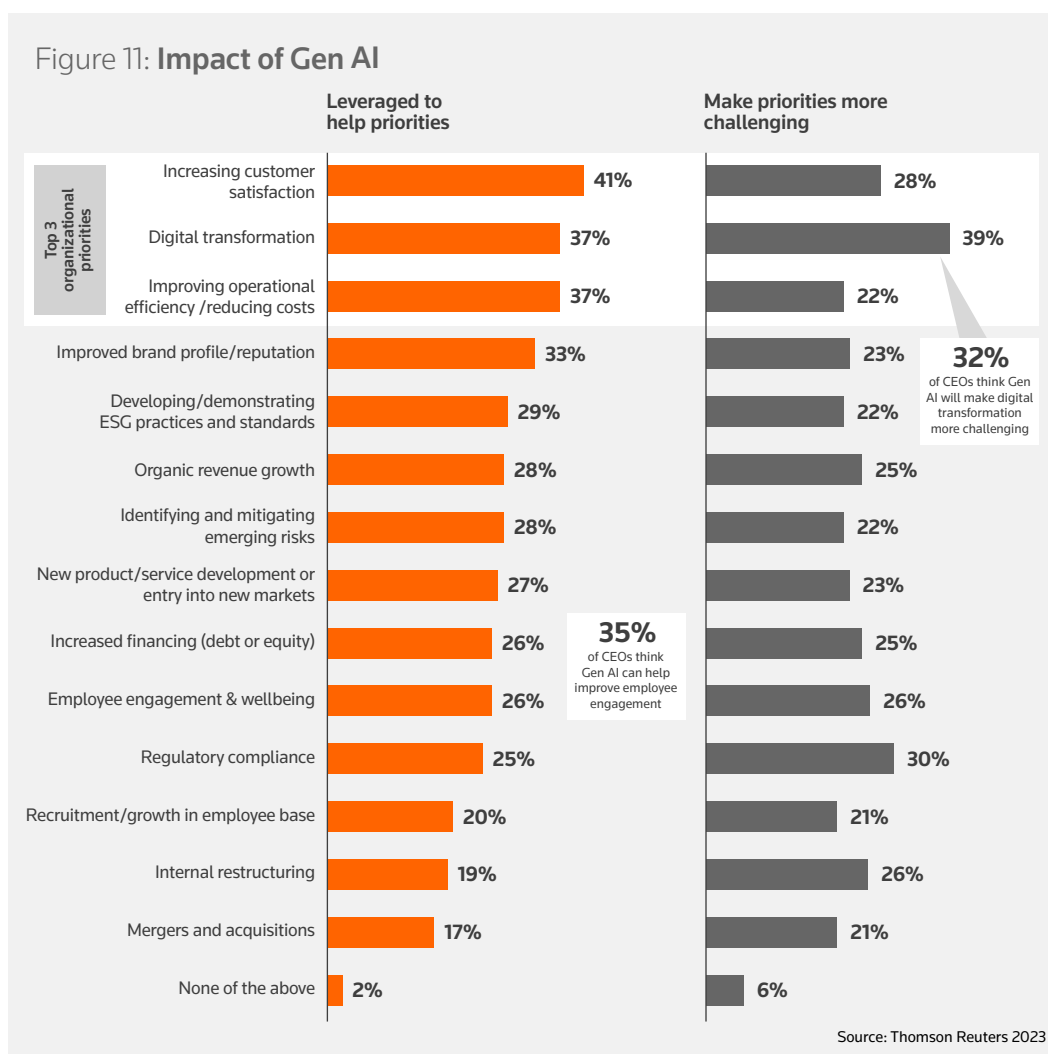
Overall, the stated priorities and areas of focus of the critical functions of legal, tax, and risk & compliance align well with what the C-Suite is expecting of these departments. Yet, in areas in which there is misalignment — especially in cases in which the functions are valuing their roles much higher than does the C-Suite — there lies tremendous opportunity for department leaders to communicate with management about how the department sees its value in this area.

PART 2:

What are C-Suite executives' views on Gen AI?

Whispers of the impact of generative artificial intelligence on workplace operations in professional services firms has quickly become a roar. Few gatherings of C-Suite, team leaders, or other professionals happen without the topic being discussed, debated, and worried about.

Those C-Suite respondents to our survey were no different, with large pluralities citing areas where they thought Gen AI could have a big impact in helping companies reach their organizational priorities, especially around areas of customer satisfaction, digital transformation, improving efficiency, and reducing costs.



Interestingly, those three areas were among those cited in which respondents thought Gen AI might make reaching those priorities *more challenging* as well. For example, more than one-third of respondents (37%) thought that they would be able to leverage Gen AI to make reaching digital transformation more achievable, while slightly more (39%) said they thought Gen AI would make

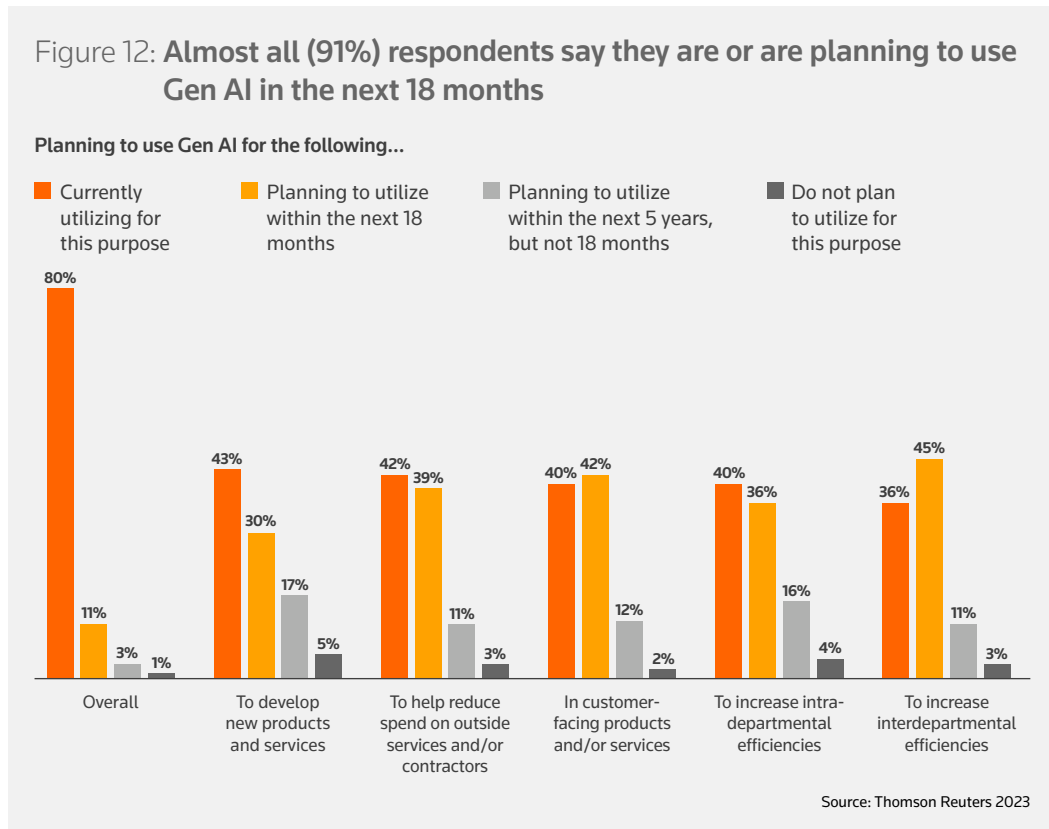
reaching digital transformation more of a challenge. Further, among those C-Suite respondents with that view, 32% of company CEOs thought that.

Similarly, equal proportions of respondents (26%) thought Gen AI would make increasing employee engagement & well-being both more achievable and more challenging. Yet, among CEO respondents, more than one-third (35%) said they thought Gen AI could help them improve employee engagement & well-being.

This seeming dichotomy — holding in their collective heads roughly similar views on how Gen AI could both be a help and a hinderance to companies in achieving their organization priorities — may be partially explained by the likely variance of those answering the question. While it’s possible that it wasn’t the same percentage saying the positive and then saying the negative, it could also be true that the same individual could feel Gen AI might help and hinder the same objective in different ways, such as with identifying and mitigating emerging risks. Gen AI could be leveraged to help with risk management, but it will of course also bring its own new risks to companies that use it.

Gen AI usage

Despite this — and not surprisingly — a large majority of respondents (91%) said they already are using Gen AI in the workplace or are planning to use it within the next 18 months.



Among use cases being currently conducted or considered for Gen AI, among the top uses cited was leveraging the new technology to develop new products and/or services (of which 43% of all respondents said they were already doing) and to help reduce spending on outside services and/or contracts (with 42% saying they were doing this now).

Interestingly, in regard to use cases for Gen AI that were being considered within the next 18 months, respondents cited *different* anticipated uses, including to increase inter-departmental efficiencies (which 45% of respondents said they planned to do within the next 18 months) and for customer-facing products and/or services (which 42% said they would do).

Clearly, the uses already being employed are focused more on bottom-line factors such as increasing service offerings to clients and reducing outside expenses; however, those use cases being next considered seem to be more aligned with at least two of the original top priorities that respondents cited of improving efficiency/reducing costs and increasing customer satisfaction.

Asked for reasons why they were embracing Gen AI use either now or in the future, one respondent cited improved efficiency and collaboration goals. "It is helpful to improve employees' work efficiency and reduce employees' mistakes in work, which plays an important role in the company's development," the respondent said.

Another cited they had hoped to use Gen AI "for generating new ideas for design and content, enhancing customer engagement and experience, and to gain a better understanding of data and how to use it." Indeed, another respondent offered a laundry list of their longer-term goals for Gen AI use, including "forecasting trends, client behavior, and market shifts" which would enable his team to take "preemptive measures."

Another respondent still had additional reasons, surrounding client satisfaction, saying they would use Gen AI "to analyze customer data and generate personalized product recommendations, emails, or messages, increasing engagement and sales."

Gen AI concerns

Of course, while a large majority of respondents said they either use or plan to use Gen AI, a small percentage (11%) said they either had no plans to use it, or were content to wait to use it sometime within the next five years.

Among those respondents who felt this way, several reasons were cited, including concerns over data privacy, cost, regulatory impact, and compatibility with the company's current tech stack.

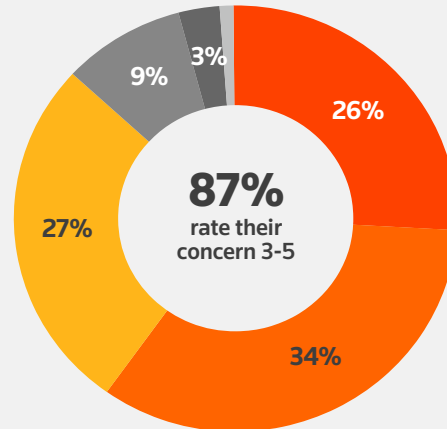
Companies adopting Gen AI "may need to invest in technology, training, and integration, which can strain budgets initially," one respondent said; while another said simply that, "We refrain from adopting Gen AI due to worries about data security and privacy."

Not surprisingly, a majority of respondents said they have at least some concerns about Gen AI. However, those concerns tended to be broad, and the levels of concern across specific issues were similar.

Figure 13: **A majority of respondents have at least some concern about AI. Concerns are broad – levels of concern across specific issues are similar.**

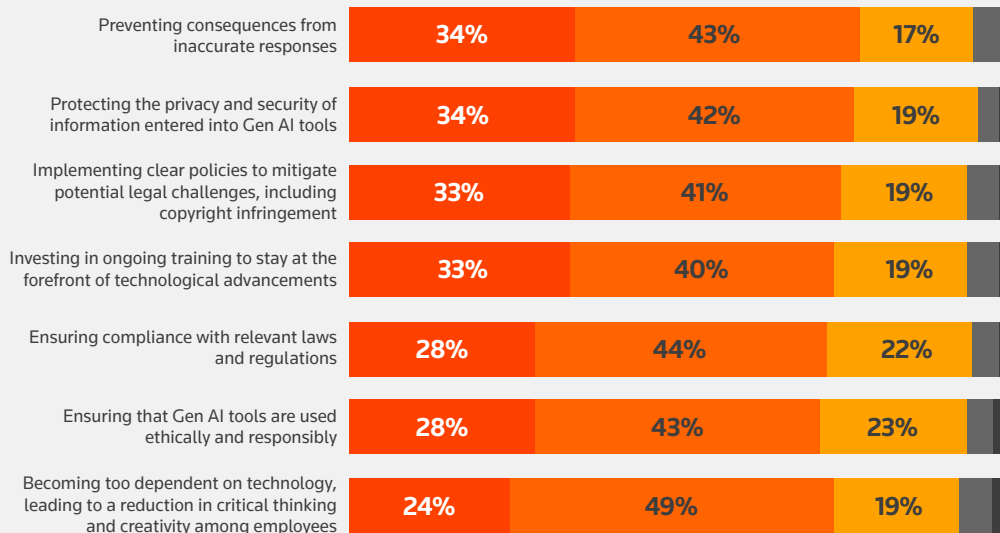
Overall concern about Gen AI risks

- 1 – Not at all concerned
- 2
- 3
- 4
- 5 – Very concerned
- Don't know/not sure



Specific concerns among those concerned (3-5)

- 5 – Very concerned
- 4
- 3
- 2
- 1 – Not at all concerned
- Don't know/not sure



Source: Thomson Reuters 2023

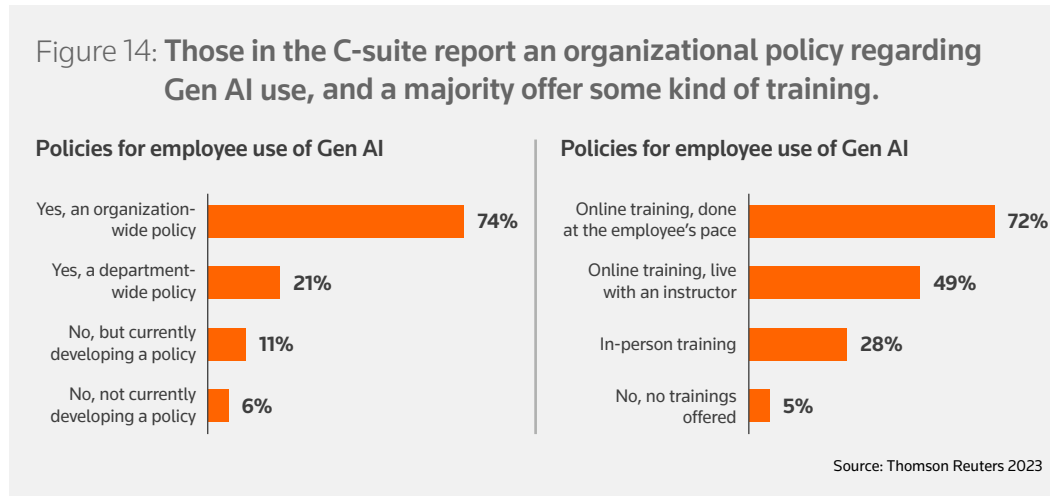
In fact, 87% of C-Suite respondents rated their concerns about Gen AI risks between 3 and 5, on a 5-point scale in which 5 represented *very concerned*. And among CEOs in the C-Suite, 94% rated their concerns over Gen AI risks between 3 and 5.

Among specific concerns cited, more than three-quarters of respondents (77%) rated worries over *preventing consequences from inaccurate responses* either a 4 or a 5; while 76% rated concerns over *protecting the privacy and security of information entered into Gen AI tools* a 4 or a 5 as well.

Also, at no point among the seven specifically cited concerns over Gen AI use did the percentage rating their concerns either a 2 or a 1, with 1 being *not at all concerned*, reach higher than 8% of respondents.

Gen AI policies

Possibly as a way to assuage some of these concerns, many of those in the C-Suite report that their company has an organizational policy regarding Gen AI use, and a majority of respondents said their companies offer some kind of training for employees on Gen AI use in the workplace.



Almost three-quarters of respondents (74%) said their company has an organization-wide policy in place regarding employees' use of Gen AI tools, and another 21% said they have department-wide policies in place.

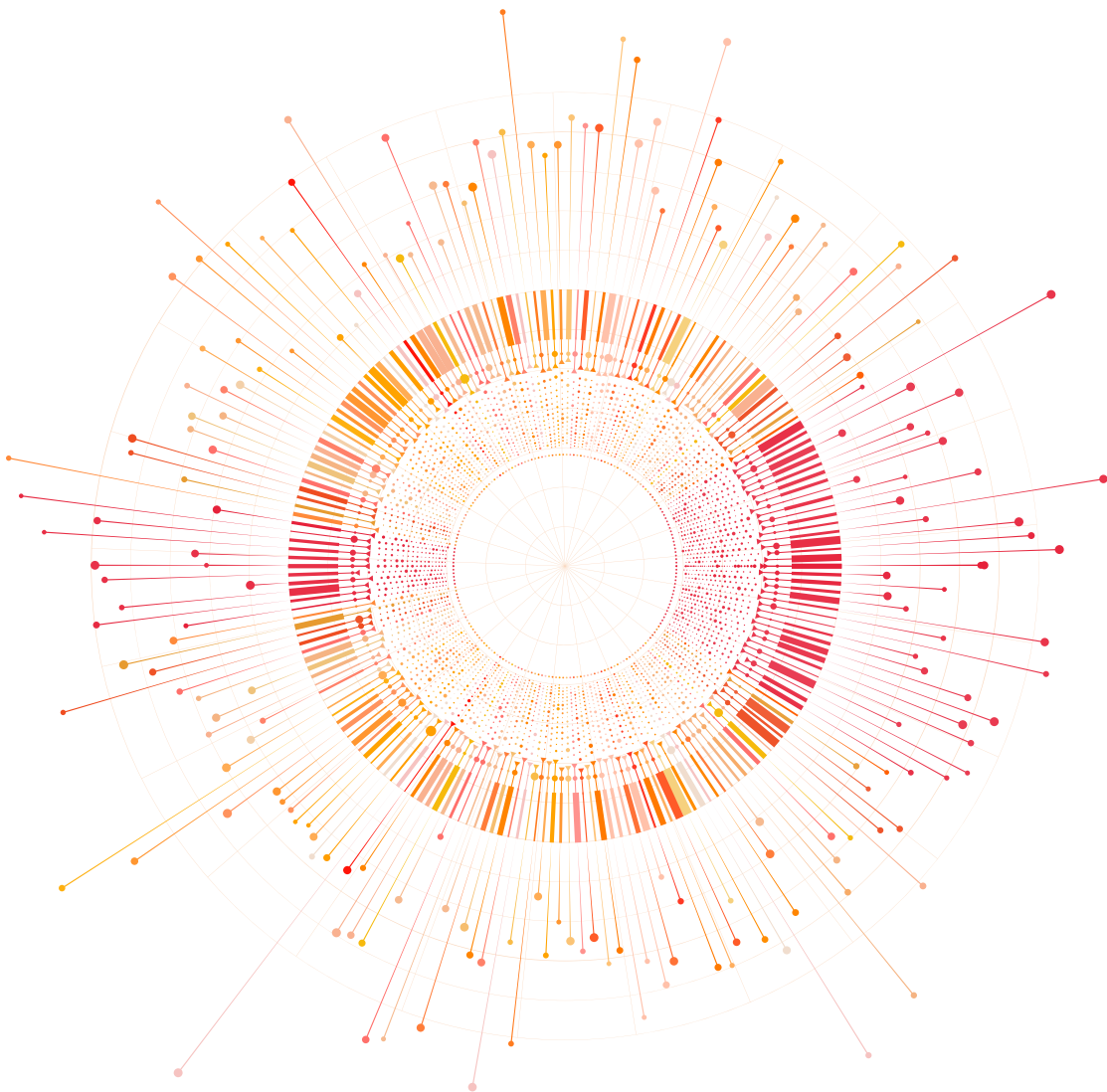
In addition, a majority of C-Suite respondents said their company either provides online training for employees on Gen AI, at the employee's pace (72%) or live with an instructor (49%). And 28% said they offer employees in-person Gen AI training.

Conclusion

As today's C-Suite executives, especially the CEOs, work to ensure that all oars within the company are pulling in the same directions and propelling the business forward, it's important that they see their own priorities align with those of their department leaders and employees.

The Thomson Reuters Institute's survey of C-Suite members and its comparison of those responses to those from corporate department leaders reflected in this report offers all parties a tremendous opportunity to hone such alignment, especially in critical areas of efficiency and corporate growth. Of course, the potential watershed impact of Gen AI on company operations across all functions provides one more impetus that makes taking advantage of this opportunity even more vital.

Throughout this survey report, we saw how C-Suite optimism has coincided with some expressions of caution, especially around Gen AI — and while this is a good mix — it shouldn't hinder anyone in the C-Suite or key corporate departments from seizing this opportunity and making the most of this moment in history.



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