



Business and Society

When Business and Politics Collide

02 **Article** | Corporate Advocacy in a Time of Social Outrage

23 **Article** | A Leader's Guide to Navigating Employee Activism

31 **HBR Recommends** | HBR's Picks on Managing Social and Political Issues at Work

Reprint [BG2401](#)

Corporate Advocacy in a Time of Social Outrage

Businesses can't weigh in on every issue that employees care about. But they can create a culture of open dialogue and ethical transparency.

by **Alison Taylor**

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Mariaelena Caputi

Recently I asked my MBA students whether they believed employers should be making public statements on the tragic events occurring in Israel and Gaza. One said he was “appalled” at the thought, but most took for granted that companies would speak out. Few even remember a time when companies avoided the political limelight.

Employees, particularly young ones, want employers to provide much more than a paycheck. They expect companies to offer public advocacy

on issues and to take concrete action on environmental and social issues — and sometimes they demand it. In 2022, for example, thousands of Salesforce employees signed an open letter urging co-CEOs Marc Benioff and Bret Taylor to stop doing business with the National Rifle Association. “It’s not in our power to get background checks or other gun control measures passed by Congress,” it explicitly argued, “but we can effect change by ending our commercial relationship with our customer, the National Rifle Association.”

Today’s employees are far more likely than those of generations past to raise alarms about what businesses are (or aren’t) doing about climate change, racism, political conflicts, abortion, or gun control. And efforts to hold their leaders accountable in the public square have led young staff members in particular to leak embarrassing internal information on social media — or directly to reporters.

The messy reality is that employee and corporate speech have intersected in uncontained ways that make internal organizational conflict inevitable. Relying on even the most seasoned communications team to craft a convincing story about your corporate responsibility efforts no longer suffices in this fast-moving, interconnected, image-dominated, “gotcha” era — not when voices from inside a company can quickly pierce its neat and glossy narrative. And as a broader, far less legalistic idea of “business ethics” emerges in the workplace, the traditional approach, which treats whistleblowing solely as a compliance mechanism, has become obsolete.

Corporate leaders have wound up embroiled in complex questions about whom they represent — and on what basis. The Business Roundtable and other influential voices have called on businesses to balance the interests of *all* their stakeholders, not just shareholders. Experts have told executives that employees and the general public

want them to take public stands on social issues — and that doing so might confer an edge in hiring talent or attracting customers. But the desire to balance stakeholder interests and speak up for employees on high-stakes societal questions is colliding with the realities of divided, polarized workforces, political dysfunction, and anger about corporate hypocrisy. These issues are particularly fraught in the United States in a charged presidential election year, though they resonate far more widely. And increasingly, companies are facing backlash around what they are or are not saying on issues such as ESG and DEI, with many hesitating to defend their choices, and sparking further employee frustration in the process.

What's needed is a considered and deliberate strategy for speaking up. Corporations are not democracies. Stakeholders are not an electorate. Lacking both the authority and the mechanisms to advocate or represent *everyone's* interests in a coherent way, corporate leaders risk undermining both their businesses and other societal institutions when they claim that they can — or feel that they must. There is a better approach.

How Did We Get Here?

Before discussing what corporations should do, it's worth examining how we got here.

Transparency has become a weapon. For businesses, one of the most profound consequences of mass internet access is that they can no longer control their narrative. Anyone with a smartphone can instantly give detailed glimpses into a company's environmental disasters, labor rights violations, or just bad customer service.

In the 20th century, public relations was about effective communication. Mainstream media were concentrated — and reluctant

to trigger libel actions or risk losing ad revenue — so companies could largely direct messaging through friendly, predictable channels. Today the public crowdsources opinions on where to work and what to buy, and then skeptically compares them to corporations' own claims. To make matters more difficult, there's no predictable formula for determining which mistakes will come back to bite you. Activists often target the best performers, and two companies can encounter wildly disparate responses for the same conduct. Reputational risk is less a linear accountability mechanism than a funhouse mirror.

Threats from within pose perhaps the most challenging issue for corporate affairs teams, as employees seek to hold leaders accountable for ethical missteps. For example, employees organized protests and walkouts at Google over lucrative and secretive sexual harassment settlements. When Amazon announced a \$10 billion investment to tackle climate change, employees broke confidentiality agreements to highlight the company's ongoing work with oil and gas companies. Workers at McKinsey helped reporters trace the firm's simultaneous relationships with the U.S. Food and Drug Administration and Purdue Pharma. And at X (formerly Twitter), Elon Musk accused employees of offering the public blow-by-blow accounts of the chaos following his acquisition.

Employees have become the cultural auditors of their organizations. And wise executives must assume that anything they say or do can become public knowledge.

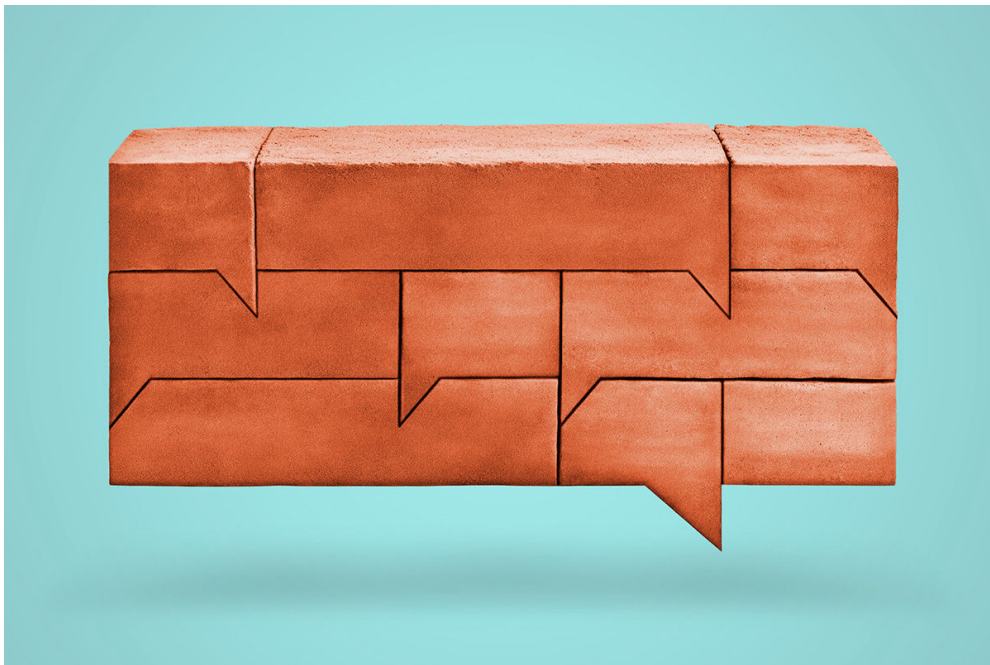
Business has become global and harder to control. Globalization offers companies enormous growth opportunities and access to cheap labor and raw materials, and reduces oversight from various national legal and political institutions. But it also exposes them to a wider range of social and political risks.

In 2022, for example, Western enterprises encountered enormous pressure to shut down their Russian operations after the invasion of Ukraine. Prominent Yale professor Jeffrey Sonnenfeld fashioned a spreadsheet to help the media track which companies were in and which were out, and CEOs had to decide almost instantly whether to keep paying employees in Russia, evacuate nationals, sell their assets, or stay put. Even companies that seemed to handle that crisis well soon faced questions about their operations in other countries with egregious human rights violations, such as Saudi Arabia. Consumers increasingly hold brands responsible for environmental irresponsibility and forced labor in their supply chains, but those same consumers still want the stuff they ordered, right now.

These are not merely questions of geopolitical risk in a multipolar world. As University of Chicago professor Luigi Zingales pithily puts it, “We now have the politicization of the corporate world because we have corporatization of the political world.” In other words, the public believes businesses are more responsive to its dictates than nation-states are, and it expects business to play a larger role in a world reeling from political and regulatory failures.

Business has become enmeshed with politics and social issues. For years, big business steered clear of taking overt political stances: After all, why would they want to alienate any potential customers? But in reality, the bright line demarcating business and politics has never been more than a convenient story — one that has become less credible with each passing year. The aftermath of the 2008 financial crisis featured the injection of vast public subsidies into private companies, swiftly followed by severe austerity in public spending, which enraged many ordinary people. In 2011 Occupy Wall Street, the Indignados Movement in Spain, and the Arab Spring are early examples of intersecting sociopolitical frustrations that drew business into their tailwinds.

Gradually, business leaders began to signal their commitments to inclusion. For example, in 2016 more than 100 CEOs and other business leaders signed a letter opposing North Carolina's transgender bathroom ban. That same year, the election of Donald Trump marked a shift in the entanglement of business and politics. His administration had a proclivity for drawing business leaders into policy conflicts that might inflame the domestic culture wars. For instance, when the DACA program was canceled, hundreds of Silicon Valley leaders stood up to protect the Dreamers. Companies that attempted to maintain their focus on shareholder value soon found that the neutral middle ground had become quicksand: When Uber kept operating during a taxi drivers' strike at New York airports protesting the Trump administration's "Muslim ban," a #DeleteUber hashtag erupted.



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By 2018 CEO activism was being described as the “new normal” in the New York Times. And it has not faded, as U.S. business leaders

continued to face politically charged decisions such as how to respond to the Supreme Court's *Roe v. Wade* decision, Covid-19 mask and vaccine mandates, and inadequate gun control regulations. Now many are trapped between the Scylla of escalating, incessant employee demands, and the Charybdis of organized political backlash.

Regardless of what you think of these changes — as a necessary elevation of core values and employee voice, or an opportunistic way to galvanize customers and workers — the Overton window has clearly shifted.

The professional has become personal. In the classroom, I hear my students say repeatedly that a career should align with one's values. They're not alone. "Employees want to work for a company with purpose — that has values and sticks to them and isn't hypocritical about it," Douglas Pinkham, president of the Public Affairs Council, tells me. "They want to know: Are you doing something good for the world? Am I part of something positive, as opposed to just a money machine? ...The pressures to get involved in social issues are enormous."

That wasn't always the case. Corporations traditionally expected their leaders to set strategy and incentives and expected their employees to follow. But younger employees in particular want to be able to express their social identities and personal values at work. As a result, they increasingly hope — and demand — that enterprises adapt to their needs and interests, not the reverse. This applies to company stances on environmental and social concerns as well as internal culture and performance issues such as inclusion, remote work, and mental health.

Amid surging polarization, senior leaders need to listen to and benefit from employee voices without creating a silent, resentful minority — or slowing the pace of work and generating perpetual conflict.

The Uncomfortable New Landscape for Corporate Advocacy

Leaders are struggling to respond to this new landscape, with some playing whack-a-mole on every issue and others simply ignoring employee criticisms in hopes they'll go away. Many are considering whether — and how — to restrict employee speech; a [2023 Herbert Smith Freehills survey](#) on the future of work finds that 97% of employers are attempting to impose some level of top-down control. Nondisclosure agreements and social media policies are commonplace but vary widely in effectiveness. Some companies are taking more-novel approaches. For example, Dell's employee advocacy program incentivized employees to speak about their company in an approved way by sharing brand-related content online in exchange for certification as a "social media and community professional." While [analysis shows](#) these efforts may bring positive attention to businesses in the short term, they fail to address the root cause of why corporate and employee speech has become such a thorny issue, and what organizations need to do to meet this moment.

To build and maintain cohesive organizational culture in a deeply polarized, broadly vocalized society, leaders must develop norms and processes that enable them to respond to ethical concerns and political issues before they blow up. These processes should give employees both agency and responsibility over when they choose to speak. And they should help organizations act proactively and strategically to ensure they can back up their public positions.

The time has come to rethink how organizations talk about and act on political, social, environmental, and cultural issues. The solution is to involve employees more effectively in determining corporate advocacy, while leaders exercise far more restraint in making promises and taking positions. Fundamentally, your approach to cultivating corporate culture has to change.

When Can Speaking Up Be Prudent and Effective?

Ask yourself these nine questions before you lend your company's voice to an issue. If you answer no to any of them, it's unwise to proceed.

1. Is the issue central to your business's values, code of conduct, or other existing public commitments?
2. Is the issue an environmental or social priority, according to a rigorous materiality assessment?
3. Does the issue pertain to commitments you have made to your workforce, such as diversity and inclusion or human rights commitments?
4. Has your company done all it can to ensure it isn't making the problem worse through its actions or business model?
5. Does your company have relevant capacity and expertise to contribute to solutions for the issue?
6. Is this a new issue that has a proximate relationship to the company's goals or operations?
7. Is there a clear way your business can make a positive contribution in collaboration with others?
8. Will acting on the issue support a positive operating environment for business in general? Would it support democratic participation, fair competition, equality of opportunity, and basic human rights?
9. Can the company make a statement that's consistent with its values, prior actions, political spending, and environmental and social priorities?

From: *Higher Ground: How Business Can Do the Right Thing in a Turbulent World*, by Alison Taylor (Harvard Business Review Press, 2024)

A New Speech Culture for a Vocal, Polarized World

To proceed with integrity on matters of corporate and employee speech, you must create a culture that's attuned to the social challenges we face today, and you must be realistic about how your company can (or cannot) address them. This goes beyond deciding who can say what, when. It involves designing an organization where regular discussions among all employees about social priorities is anticipated; where ethical concerns are part of day-to-day work; where politics are considered a healthy part of discourse; and where everyone is attuned to how corporate choices impact human beings. Without this foundation, the decisions you make as a leader about when to speak — or when not to — will ring hollow.

Involve employees in setting realistic priorities. Companies tend to make three big mistakes when setting and publicizing societal, political, and environmental priorities.

First, they speak out on these issues as a form of stealth public relations — they project their ambition along a huge range of topics in an effort to appease stakeholders in the short term. Making a public statement is often a way to compensate for, or distract from, a lack of meaningful action, and it is increasingly the norm. For instance, the Carbon Disclosure Project [recently reviewed](#) 4,100 corporate commitments on climate change and found that fewer than 100 were credible.

Second, organizations are reluctant to set tight priorities. So they end up with a laundry list of goals and aspirations that fails to distinguish among risks, opportunities, and negative impacts that require ethical guardrails. When corporations suggest that they can address every relevant issue, they overpromise and underdeliver, fueling impatience and diminishing trust.

Third, senior leadership teams tend to set strategy and goals in isolation from the rest of their workforce or delegate the task to teams of consultants.

Changing the way you determine your priorities — and whom you involve — can correct all three errors. Issues such as sustainability and diversity are distinct in that at least some employees feel passionately about them and yearn for a sense of agency in setting goals and enacting change. Students in a recent sustainability class told me that they focus less on which brands to patronize and lifestyle changes to embrace and more on pushing their *employers* to take action because doing so leverages their impact.

Instead of awaiting such organized activity, or ignoring misalignments between senior leaders and staff, it's wise to include your employees when you use a materiality assessment to set environmental and social priorities. Any credible materiality assessment takes the concerns of internal and external stakeholders into account. And once you have listened to the full range of concerns and opinions, the imperative is to candidly focus on the handful of issues your business is truly capable of prioritizing.

Employees should also be invited to contemplate the company's actual leverage over an issue. For example, there might be limits on what an internal diversity program can achieve when the pipeline of job applicants is heavily skewed to a particular identity group. The same applies to an organization's efforts to tackle climate change in the absence of supportive public policy. Even the new CEO of sustainability poster-child Unilever recently recognized that the company has made too many vague, sweeping, long-term commitments at the expense of short-term performance, admitting that it ought to have focused on fewer, more-critical issues.

Sam Hartsock, a cofounder of qb. consulting, has worked to involve employees in sustainability strategy at numerous companies, including Ben & Jerry's and Bumble. "We always advise our clients to think about their employee engagement [around ESG] holistically," she says. "If [they] only speak to senior leadership, the result is an echo chamber that leaves out a whole section of key stakeholders. This results in a skewed image of the business, presents significant risks, and produces an ill-informed ESG strategy."

Instead, try to pinpoint what your employees expect and value. Surveys and focus groups can help identify internal sources of pressure, enthusiasm, pain, and tension. Then select individuals who could help lead initiatives and make decisions. If you involve employees in setting environmental and social priorities, you'll be better positioned to achieve them, and your public commitments will be anchored in a robust internal framework. Perhaps most important, your employees will carry increased responsibility and accountability for ensuring their success.

Reframe ethics as a process that involves everyone. For decades, ethics was simply equated with legal compliance. Now our view of what it takes to be a "good company" extends far beyond the boundaries of the law. Questions of ethics have come to reflect how a business impacts social, environmental, and political systems, and vice versa; a company can no longer operate solely as a self-interested, profit-maximizing black box. But there's been no playbook to help executives navigate this new world.

Traditionally, many consumer-facing brands have attempted to address social issues by setting up high-level, cross-functional task forces. But ethical and social concerns are converging so swiftly that businesses need to establish an active consultative process to ensure that their

organizational values are robust. Ethics is a process that must involve everyone, from the C-suite to frontline employees.

Consider Dutch bank Rabobank's dynamic approach to ethical challenges. Its Global Ethics Committee, which includes young employees, considers the ethics surrounding emerging issues such as AI and cryptocurrencies and sustainability dilemmas such as whether to source solar panels from Xinjiang. "Every employee can raise a question or ethical dilemma," explains Francoise Rost, Rabobank's senior ethics adviser. "The committee deals with cases and themes with an ethical character in the 'gray area.' Often, there is not yet an internal policy or legislation or regulations in such dilemmas. The outcome of the dialogue can serve as a moral precedent for similar cases or contribute to internal policymaking."

Your corporation's impact on human beings is at the very root of your legal, operational, and reputational risks, even if *how* those risks might manifest is unpredictable.

Salesforce's Paula Goldman, the company's chief ethics and humane use officer, shares a similar process. "We created an ethical use advisory council that includes, notably, frontline employees, executives, and external tech ethics experts," she explains. "When an issue comes our way, we will debate it from multiple angles...and we'll make a recommendation to leadership."

Organizations can give their employees a framework for responding to nuanced and complex problems. Novartis, for example, developed an online, interactive ethical decision-making framework for staff. It

isn't intended to replace conversation, and it doesn't give employees definitive answers about what they should do. Rather, it guides users through 15 questions to prompt deep reflection, exposes as many as six potential biases, and suggests additional materials and resources to explore. This is more practical and effective than laying out rules and sanctions. It gives employees the tools to develop an ethical code and offers them agency in drawing their own conclusions. It also emphasizes that ethical considerations and challenges are a key aspect of organizational decision-making in general.

Be inclusive and transparent about politics. Organizations cannot represent all employees' views on political questions. Issues such as racism, reproductive rights, and climate change are so fraught precisely because they have *both* political and personal dimensions. Nor can companies ignore these views, hope they won't crop up during the workday, or prevent employees from posting about them. As Hult International Business School professor Megan Reitz and author Jim Higgins have rightly argued, "Banning political speech is fundamentally implausible because it is impossible to draw a clean, objective line between what counts as 'politics' and what doesn't — or which issues are 'acceptable' to discuss because they relate to the company's mission and which aren't."

The best nonpartisan approach for coping with escalating political demands by employees is to emphasize *individual* political engagement, tolerance, and mutual respect. True inclusion means that someone should be able to hold a political opinion, even if it's misaligned with the company's dominant culture, without being penalized or "canceled." Employers should respect healthy and inclusive discourse while setting clear ground rules around issues such as racism, sexual harassment, and calls for violence. A strong, clear code of conduct is useful, not least by making it clear what a corporation

will not seek to control, as well as what it will. An institutional emphasis on individual choice and responsibility can help employees learn to be better political players themselves; indeed, it takes the heat out of demands for corporate advocacy and representation on an overwhelming range of topics.

Allstate Insurance stands out for having created the Better Arguments Project, a civic collaboration with the Aspen Institute and Facing History and Ourselves. The project focuses not on stymieing debate but on making it healthier and more respectful. It aims to teach U.S. citizens — including its employees — how to stop seeing winning an argument as the goal, and to be more vulnerable and compassionate.

Companies might also consider inviting a range of political speakers and promoting civic engagement by providing time off to vote. Organizations can support democratic engagement and even match employee contributions to specific causes without embracing them. To bake tolerance and inclusion into your culture, for example, a company could make having a track record of working successfully with people who hold very different values and opinions be a requirement for promotion.

Healthy political engagement needs to go far beyond employee discourse. An unintended consequence of the surge in corporate political speech has been a renewed focus by the public (and sometimes, your employees) on organizational misalignment with political spending. At the annual conference of BSR (Business for Social Responsibility) in 2018, author Anand Giridharadas warned hundreds of sustainability leaders in attendance: “You may have lobbyist colleagues in DC that wear nice suits and cancel out your work.” More recently, a study by Ceres highlighted gaps between corporate rhetoric supporting

the Paris Climate Agreement and lobbying practices that do the opposite.

As momentum builds behind corporate political responsibility, ensure that your spending matches your avowed sustainability priorities and consider augmenting transparency to build trust. Acceding to shareholder pressure over such contradictions, for instance, AT&T published a “political congruency report.” Or consider emulating IBM’s long-standing approach of not contributing directly to any political candidates — especially since some research suggests it brings little comparative advantage and may even negatively impact company value.

Base your commitments on how you impact human beings. Your ethical commitments should be based not solely on legal obligations but also on human rights principles. Although the UN Guiding Principles on Business and Human Rights are relatively new, and most corporate implementation efforts are still nascent, they can offer business unique help at this particular moment, for several reasons.

Most important, the Guiding Principles focus on individual agency, bodily autonomy, and dignity — they don’t attempt to impose values on people who may not share them. A key advantage of the human rights platform is that it encompasses the spectrum of economic, civil, political, security, and environmental issues. In 2022, for instance, the UN General Assembly recognized the right to a clean, healthy, and sustainable environment. Next, your corporation’s impact on human beings is at the very root of your legal, operational, and reputational risks, even if *how* those risks might manifest is unpredictable. The Guiding Principles consider the respective roles of business and government and account for the level of attribution and leverage your corporation has in causing and resolving negative impacts.

(For example, they provide guidance in a scenario whereby you are doing your best to respect human rights in your supply chain factories, but the government is conducting aggressive surveillance and arbitrary detention of the local population, which is affecting your workers.) Corporations must identify whether their actions are causing, contributing, or are directly linked to negative human rights impacts. Finally, the Guiding Principles consider tricky trade-offs, such as those between freedom of expression and the right to privacy.

Human rights frameworks like this one explicitly direct corporations to evaluate their impact on stakeholders and prioritize their ethics efforts on that basis, rather than on opinions or ideology. For example, in the wake of the U.S. Supreme Court's nullification of *Roe v. Wade*, human rights principles suggest that the right to health is paramount, and reproductive rights are a key element. Businesses that make reproductive health care equally available to all employees and contract workers across the United States (including travel) are explicitly addressing the ruling's negative human rights impacts.

The most astute corporate responses always respect the principles of privacy and freedom of choice. In this case, a business would not require employees to discuss their choices with HR departments but would provide funds and medical coverage that can be accessed without involving the employer. So long as there exists no effort to force such health care on women who oppose abortion, it aligns with human rights principles to provide the same access to every staffer, anywhere in the United States. The rights of employees with values-based objections to reproductive care are not violated by the provision of care to colleagues. Companies that fund candidates and organizations that seek to restrict this right, by contrast, are contributing to negative human rights impacts, and they should stop making such contributions.

Vestas Wind Systems provides an excellent example of a company grounding both its integrity and social responsibility efforts in a commitment to human rights, including an explicit pledge to “ensure the integration of human rights in the energy transition.” This is notable, as many renewable energy companies try to avoid or sidestep the difficult human rights issues their technologies present. Beverage company Diageo has also outlined clear human rights commitments; it makes detailed operational assessments of its human rights impacts publicly available.

To be in line with good practice on business and human rights, ensure that your actions and spending are aligned. Be certain, too, that you’ve taken concrete steps to protect employees and supply chain workers from human rights violations before you mount any public campaign on an issue. On reflection, most companies will find that further internal work awaits.

Once you have been explicit and deliberate about employee involvement in strategy, ethics, politics, and human rights, you’ll be better equipped to make consistent decisions on how to address social and political issues. Your employees may not always agree, and you must be clear from the outset as to whether they’re allowed to disagree publicly. But because they’ve been involved throughout the process, and there has been clear consideration of how these issues will affect organizational culture, they should better understand what you are (or are not) saying — and why.

A New Era

The past decade has transformed the nature and impact of speaking out. Although leaders may find it frustrating and chaotic, it reflects a real desire for positive change among employees, who have found new ways to counter the hazard of retaliation for speaking out. Social

media-enabled collective action is one, with young workers organizing on Slack, out of sight of management.

Leaders, for their part, need to adapt in order to run today's fluid, networked organizations. Barking orders from above while tuning out employee sentiment has become wholly impractical. Megan Reitz, an associate fellow at Saïd Business School, has worked for years on ways to improve the speaking-up process, and she sees this as a central leadership challenge. "How you respond in an agile way has had to shift from the traditional notion of someone at the top making all key decisions," she tells me. "We need reminding that a leader's perspective is not the [whole] truth, because we all think that how we see the world is the way it is. You need to do more than you realize, and you need to do more than just inviting speaking up."

A 2021 [academic study](#) showed that listening, empathy, and persuasiveness have become far more valued qualifications in C-suite job descriptions and recruiter checklists. In an era of soft corporate boundaries and intangible value, an ability to tap into and leverage influence has become indispensable. So have familiarity with — and competence at handling — pressures regarding social responsibility.

Organizations need to solicit and support employee voice at all levels. They also need to continually emphasize the importance of individual accountability. That means taking a more considered and restrained stance on questions of corporate voice and advocacy. They'd be well served by striving to build more-tolerant cultures that feature less public grandstanding and more internal individual involvement and accountability. Employees should be encouraged to share positive examples of staff activity, highlighting exemplary ethical behavior. They should be involved in shaping the commitments an organization makes and in pondering the trade-offs and limitations it faces. Not least, they

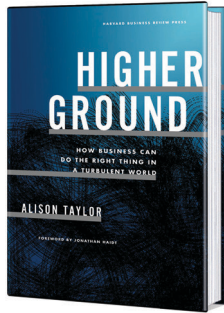
should be encouraged to exercise their individual rights and freedoms in the public sphere, rather than look to employers to represent their political positions.

Giving employees both agency and responsibility around speech is easier said than done. Still, creating a culture where that's the norm offers the most promising route through the morass of confusion and political turmoil that enterprises face today. It's inevitable that business leaders will get backlash around their decisions on speaking out on issues. But if they ground their decisions in a robust process and culture, and therefore make less frequent public declarations, they'll be better positioned to stand their ground.

Take my students' perspective on their employers' need to speak out about the present Middle East conflict. If they followed the strategies I outline in this article, most companies would soon be envisioning the negative consequences of empty "speaking up" when they possess little useful leverage. They'd limit corporate statements to expressions of humanitarian support for victims of the conflict and immediate concern for the mental and physical health of affected employees. They would allow employees freedom of expression on the issue while barring advocacy that would violate human rights.

Our new era calls for sharper, more limited corporate commitments, a more thoughtful approach to political speech and spending, and an end to the dangerous suggestion that profit-making entities can single-handedly solve fiendishly difficult societal challenges. Corporations should first seek to clean up their own messes and treat workers with dignity and respect. It is also squarely in the interest of corporations to support individual agency and engagement with the democratic process. Ultimately, credible corporate responsibility starts with more

thoughtfulness and restraint over political and social advocacy, not empty speeches and overpromising.



Alison Taylor is the author of *Higher Ground: How Business Can Do the Right Thing in a Turbulent World* (Harvard Business Review Press, 2024), from which this article is adapted.

[Buy it here](#)

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A Leader's Guide to Navigating Employee Activism

How companies can choose when — and whether — to act on employees' concerns. **by Megan Reitz and John Higgins**

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During their strategy off-site, the executives at a global retail organization turn their attention away from the strategic plan to address a thorny issue. A junior employee has started vociferously criticizing, in meetings and on Slack, the organization's commitment to sustainability objectives. The executives' conversation has been precipitated by months of behind-the-scenes questioning by this person and others. In fact, senior leaders are concerned that this group is on the verge

of speaking up publicly about their disappointment, highlighting what they perceive to be a gap between what the company espouses and what it actually practices. Within the executive team there is a divide: Some want to shut the employee down while others want to invite them into the strategic discussion.

Leadership teams around the world are facing similar challenges about how to engage with employee activism — whether in relation to their organization's impact on the environment, commitment to diversity, equity and inclusion, stance on [the Middle East crisis](#), supply chain ethics, or the myriad other topics where businesses are seen, by some, to be contributing to problems or to have some influence on the solutions.

Our research conducted over the past decade has focused on [“speaking truth to power.”](#) Specifically, we explore “conversational habits” — what gets talked about and what doesn't, who gets heard and who gets ignored, and the consequences for performance, innovation, ethical conduct, and talent management.

Noticing the rise of employee activism, we decided to [quantitatively and qualitatively](#) examine leadership [responses to activist voices](#) — why particular choices were made and what happened in the aftermath. As a result, we identified three key tools to help leaders make more-thoughtful decisions rather than simply reacting and leaving themselves open to the negative consequences of ill-considered claims and commitments. These tools include a taxonomy to help you understand your typical response to activism, an ACT IF framework for choosing when to do or say something, and suggestions for how to pause, pay closer attention to what's happening in the world and what your employees care about, and learn from your successes and failures.

A Taxonomy of Leadership Responses

We've observed six common responses to activist issues, ranging from oblivious to proactive. As you read this list, consider various activist issues in your organization — and how your leadership team reacted.

- **Nonexistent (“Activism? What activism?”):** Leaders are oblivious to activist voices or so distanced that they are unaware of these voices and thus do nothing.
- **Suppression (“Expel it before it spreads”):** Leaders attempt to quash voices either through directives that certain subjects are not up for discussion or by making it clear (explicitly or implicitly) that if employees speak up they will face negative consequences.
- **Facadism (“Let’s just say the right thing”):** Leaders respond with positive words but take no meaningful action, either because they never really intend to do anything or because they become distracted by the next hot topic.
- **Defensive engagement (“Do what the lawyers say we have to”):** Leaders agree to engage on an issue but only up to the point of legal requirement — they do the minimum.
- **Dialogic engagement (“Let’s sit down, listen, and learn”):** Leaders understand that they don’t know enough about certain issues, are curious to learn more, and take steps to share decision-making — marking a critical shift in the power dynamic.
- **Stimulating activism (“Let’s be the activist!”):** Leaders identify themselves and their organization as activists. They publicly stand for a particular cause, and they recruit, reward, and retain employee activists.

We’ve found that the first three responses tend to lead to employee silence, arising from fear and cynicism, which hurts performance and retention, so we advise staying away from them. Another key finding of our work is that people in management perceive their responses very

differently than others in the organization do. We've written about this tendency for senior leaders to overestimate how approachable they are, the quality of their listening, and the degree to which employees feel able to speak out. As a result, they are often taken by surprise when strong feelings on an issue surface, sometimes explosively.

A much-discussed example of this played out at Basecamp in 2021. CEO Jason Fried wrote to employees that there was to be "no more societal and political discussions on our company Basecamp account." This was met with a backlash, and roughly a third of employees promptly quit. A few days later Fried blogged, "We started with policy changes that felt simple, reasonable, and principled, and it blew things up internally in ways we never anticipated."

However, we are *not* implying that leadership teams need to sit down in extensive dialogue or take a stand on every issue. Of course, they don't and couldn't — not while sticking to their main business of running a business.

This raises the question of how to choose when to act.

The ACT IF Framework

An organization can respond to employee activism in different ways depending upon the issue and context. In the opening example, we outlined how different executives wanted to respond. Some reacted angrily, pushing for the employee to be reprimanded and cautioned. Others appeared more open, and there was even the suggestion that this activist employee be invited to the next leadership meeting to lead a discussion. Our ACT IF framework describes five key influencing factors that should shape the leadership response. (It can also be used by activists in choosing which actions to take.)

- **Authority:** How much authority, power, or status do we have in the wider organizational system compared to other stakeholders? And how do we wish to use the authority we have?
- **Concern:** Is this issue of concern to us or to stakeholders? Do we *really* know how much stakeholders care about this issue?
- **Theory of change:** Do we feel we can make a difference? Do we feel we can resist change in the “outside” world, or do we see how we participate and are influenced by it? What role do we believe we can play in influencing change?
- **Identity:** Do we consider ourselves to be activist? What do we stand for and what don't we?
- **Field:** What is happening in the organization/industry/country/world that impacts the action we feel we should take? For example, is this in the news? Are our competitors acting?

Considering these factors together and with employee, customer, supplier, and investor input, you are more likely to make wise decisions. One senior pharmaceutical executive we spoke to lamented over the rushed communication his company sent out after the [Hamas attacks in Israel](#). A speedy response was arguably necessary, but because the management team did no conferring with employees or relevant network groups, it ended up having to release another statement two days later, apologizing for the deep upset its original missive had caused to some, including Palestinian employees, customers, and suppliers. Had they used the ACT IF framework at the start, they may have recognized the *concern* of these stakeholders and avoided mistakenly believing they had unilateral *authority* in deciding how to respond. Perhaps they would have talked about how or why they would want to make a difference (*identity* and *theory of change*) in the situation rather than being overly influenced by several competitors who “got their statements out before us” (an extremely partial understanding of the *field*).

Had the management team paused, the executive acknowledged to us, they would have seen that their primary concern was for the company's employees in the geographic region — their suffering and their immediate needs. The organization's corporate identity had never previously included taking a stand on political or humanitarian issues generally, but their values *were* to look after one another and to respect different views, in dialogue.

This brings us to our third suggestion.

Permission to Pause

Many organizations we've worked with seem pathologically busy, driven by the need to achieve more with less and meet immediate targets while discounting the longer game of creating sustainable value. A recurring theme in our research is leaders' wish for "permission to pause" so that they can respond thoughtfully to issues and pay attention to the world more broadly, rather than fixating on the immediate task and "moving fast."

With this in mind, we asked leaders what advice they'd offer, in hindsight, about responding well to employee activists. From their answers, we drew out four recommendations:

Notice your "bagga e" about activists and activism. Activism is becoming ever more controversial, and leaders often react without appreciating their own and their organization's biases, assumptions, and emotions about the issue and the employees raising it.

Accept that you almost certainly don't know how your employees feel about some issues. That's because you aren't as available or as approachable as you think. Every leader has a "power shadow," which means that they're told only what others believe they can bear to hear.

Engage employees with genuine curiosity about how others see the world. This requires leaders to put long-held ideas and beliefs up for debate and to share decision-making duties on any action that should be taken. You won't be able to satisfy everyone, but you *can* show that you've got a robust, respectful process for figuring out which issues to take a stand on.

Make sure corporate identity, purpose, and activist intentions are discussed and included in your strategic plan. Not everyone on the management team we referred to at the start of the article connected the debate they'd just had on strategy with their ensuing conversation on activist employees. You won't be able to predict every issue that will come up — but it will help if you have already had deep conversations with your colleagues about your collective values and how they fit into your strategic goals, rather than having to rush those discussions in moments of crisis.

Employee activism challenges our assumptions about what leaders can and should attend to when running a business — and the extent to which organizations can stand apart from the social, economic, and environmental issues that are part of a noisy public sphere.

Leaders must come to terms with this shift, cede some control, and work with stakeholders to reflect on the case for action — and nonaction. The tools we've described help them to do this and to learn, rather than continuing to make the same mistakes.

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HBR's Picks on Managing Social and Political Issues at Work

Articles and podcast episodes on speaking up, employee activism, and politics. **by HBR Editors**

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HBR Staff; OsakaWayne Studios/Getty Images (columns); izusek/Getty Images (woman); Juan Moyano/Stocksy; il Capitano/The Noun Project (lightning); P.J. Onori/The Noun Project (article)

For better or worse, business and politics have become increasingly entangled: Everyone, from CEOs to frontline employees, is speaking up about social and political issues; corporate spending on both political lobbying and social responsibility efforts is common; and voter polarization is seeping into day-to-day interactions at work.

When confronted with all of this at your organization, how should you respond?

Our new Big Idea series is focused on how to [create a culture around employee and organizational speech](#), but there's much more in our archive on similar topics.

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On Business Taking a Stand

If you're a leader unsure if — or how — you or your organization should address an issue, start here:

The New CEO Activists

by Aaron K. Chatterji and Michael W. Toffel

Though U.S. corporations have long invested in political lobbying and campaign donations, a new trend has emerged in recent years: CEOs are taking very public stands on thorny political issues that have nothing to do with their firms' businesses — even threatening to move business out of U.S. states that pass controversial laws.

But does CEO activism actually change public opinion and policies? What are its risks and rewards? And what is the playbook for leaders considering speaking out? The authors of this article examine those questions and explain the takeaways of their own research. One finding: Consumers tend to view CEO activism through the lens of their own political affiliations, so it can provoke both negative and positive responses. Nevertheless, in the age of Twitter, silence on an issue can be conspicuous — and consequential.

Bonus: Listen to Chatterji and Toffel talk about this topic [on our HBR IdeaCast](#) podcast and read [a follow-up](#) they published about three

leaders in particular who took a stand: Why did they do it, and what can you learn from them?

When Should Your Company Speak Up About a Social Issue?

by Paul A. Argenti

Companies are increasingly under pressure to take a stand on high-profile sociopolitical issues. Sometimes there is a clear moral justification, as well as demand from customers, employees, and the communities in which you operate. At other times, the need to weigh in — and what kind of statement to make — will not be so clear. Before deciding, companies and leaders should ask three questions: (1) Does the issue align with our corporate mission and values? (2) Can we meaningfully influence the issue? (3) Will our constituents agree with our speaking out? Remember too that your words will be perceived as inauthentic, hypocritical, or “woke-washing” if you don’t take action to match them.

How Companies Should Weigh In on a Controversy

by David M. Bersoff, Sandra J. Sucher, and Peter Tufano

Executives need guidance about managing their organizations’ engagement with hot-button topics such as gender, climate, and racial discrimination. Success in this realm does not mean avoiding public controversy or achieving unanimous support among key stakeholders. Rather, it results from adhering to certain processes and strategies. The authors offer an approach that is anchored in data and managerial best practice but that is also sensitive to values and context. It can be helpful in figuring out which issues to address and how; in ameliorating disappointment among stakeholders; and in managing any potential blowback.

Should Businesses Take a Stand on Societal Issues?

HBR Cold Call

Harvard Business School senior lecturer Hubert Joly, who led the electronics retailer Best Buy for almost a decade, discusses examples from a case study featuring several corporate leaders who had to determine whether and how to engage with humanitarian crises, geopolitical conflict, racial justice, climate change, and more.

Why Ben & Jerry's Speaks Out

by Alison Beard

How does a large company with a diverse customer base choose to take a prominent stand on highly politicized current events? An interview with Matthew McCarthy, Ben & Jerry's former CEO, and Christopher Miller, global social mission director, on its swift and strong responses to the murder of George Floyd and the January 6 insurrection at the U.S. Capitol, why it believes in multi-issue corporate activism, and how organizations can become better social advocates.

The CEO of Dick's Sporting Goods on Becoming a Gun Control Advocate

HBR IdeaCast

Ed Stack, the former chief executive of Dick's Sporting Goods, decided after the Parkland school shooting to pull assault rifles and high-capacity magazines from all his company's stores. The controversial choice hurt revenues. But the retailer weathered the storm, thanks to inclusive and thoughtful decision-making, careful communication with all stakeholders, and a strategic shift to new product lines. In this podcast episode, Stack explains why he chose to take such a public stance on a hot-button issue and how it has affected him personally and professionally.

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On Employees Taking a Stand

If your employees are speaking out about an issue — or if you are an employee who wants to raise an issue yourself — read the following:

The Wrong Way to Respond to Employee Activism

by Megan Reitz, John Higgins, and Emma Day-Duro

Leaders tend to be ill-equipped to handle outspoken employees. But with employee activism on the rise, managers who mishandle their response risk ongoing employee unrest and reputational damage to the organization. Research has shown that managers often fall into three traps: over-optimism, the belief that you can be apolitical, and a rush to quick fixes. By better understanding where each of these approaches goes wrong and engaging authentically, leaders can chart a better course.

Cultivating Everyday Courage

by James R. Detert

Most acts of courage at work don't come from whistleblowers. They come from respected insiders at all levels who speak up because they believe it's the right thing to do. And when they manage the process well, these employees don't necessarily pay a high price; indeed, they may see their status rise. People who succeed in their courageous acts, or suffer fewer negative consequences, tend to exhibit certain behaviors: They lay the groundwork for action; they carefully choose their battles; they manage messaging and emotions; and they follow up afterward.

How to Call Out Racial Injustice at Work

by James R. Detert and Laura Morgan Roberts

It takes courage to speak up about racial injustice at work. Raising these issues brings risk for anyone — but especially for Black employees. But

the authors' research points to five strategies that increase your chances of a positive reception: (1) Use allies to speak as a collective; (2) channel your emotions so that they give you strength but don't detract from your argument; (3) anticipate your counterpart's own emotions; (4) frame your argument in terms that align with your audience's perspective; and (5) follow up afterward.

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On Politics and Business

If you're trying to manage issues related to politics at work or your company's direct involvement in politics, consider these pieces:

Don't Ban "Politics" at Work

by Megan Reitz and John Higgins

With political polarization on the rise and companies gauging the risks of employees' internal political activism, some are opting to ban political speech at work entirely. The authors, experts in speaking up at work, explain the pitfalls of this approach and instead suggest asking a different question: How can we support employees and encourage them to handle difference, respect one another, listen, and learn? The answer, they suggest, requires four actions on the part of leaders: Building empathy and respect for others' views, inviting different perspectives into the leadership fold, accepting mistakes gracefully, and teaching people how to disagree.

Leadership in a Politically Charged Age

by Nour Kteily and Eli J. Finkel

Why are discussions of politically charged issues often so fraught in the workplace today? How can managers ensure that they aren't caught flat-footed by the conflict these issues sometimes create among employees? Not long ago such questions lay at the periphery of corporate life. But

today they're central. In recent decades we've witnessed a surge in the proportion of people whose identities are deeply informed by their political allegiances and who believe they need to bring those identities to work. The result is often conflict that can spiral dangerously out of control. This is a new and rapidly evolving problem, and most leaders are ill-equipped to cope with it. The authors provide a framework to help managers understand when and how political conflict can become corrosive, and they explain how to navigate it more effectively and even harness its potential to strengthen the workplace.

Strategy in a Hyperpolitical World

by Roger L. Martin and Martin Reeves

The assumption that business and politics can and even should be kept separate is no longer realistic, and messaging from the corporate affairs department is insufficient to defuse political issues when they arise. Delta's troubles in Georgia and Disney's in Florida are two prominent examples. To make and implement the best strategic choices in this environment, leaders will have to: (1) develop robust principles to guide strategic choices; (2) address ethical issues early; (3) consistently communicate and implement their choices; (4) engage with and beyond the industry to shape the context; and (5) learn from mistakes to make better choices in the future.

How — and When — Should Companies Engage in the Political Process?

by Ed Dolan

For all the discussion about the social responsibilities of the corporation, there's been less discussion of how and whether companies should influence government. A new set of principles from the Erb Institute of the University of Michigan suggests some guidelines based around responsibility, legitimacy, accountability, and transparency.

Corporate Political Spending Is Bad Business

by Dorothy S. Lund and Leo E. Strine Jr.

Corporations are facing increased scrutiny over their political spending — particularly when their stated values seem to contradict their lobbying efforts. A 2020 report by the Center for Political Accountability offers many examples, including companies that have publicly demanded racial equality while contributing to groups and candidates that promote racial gerrymandering, and those that purport to be concerned about climate change while donating to groups that challenge the EPA's clean-power plan. In this article, the authors argue that companies should halt political spending entirely to reduce the risk of blowback and enable executives to focus attention and resources on running their businesses.

The Business Case for Saving Democracy

by Rebecca Henderson

Democracy is in trouble. What's at stake for business? Should corporations do something to reverse these trends? This article argues that strengthening democracy is the only way to ensure the widespread survival of free-market capitalism. Without the essential guardrails a democratic government can provide, nations are at risk of falling into left- or right-wing populism, neither of which is good for business or society. The piece further discusses the essential pillars a free market needs to survive and the steps that the corporate world could take to drive positive change.

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This story is by the staff at Harvard Business Review.