

Higher Expectations

How Organizations Engage with Social Change Issues



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Executive Summary

The public prominence of social change issues is influencing how many organizations operate. The challenge for organizations is to determine the costs and benefits, and thus the overall impact, of taking a stand on the social change issues that affect customers, employees, owners, and the communities in which they operate. Simply put, social change issues matter to organizations because they matter to many of their employees and customers, both of whom affect overall profitability.

To determine how organizations approach social change, we conducted an online survey with over 500 respondents across various industries, functions, and levels, and interviewed 10 human resources (HR), sustainability, and diversity and inclusion (D&I) leaders at global organizations in different industries. This report outlines how organizations are responding to social change and the choices they have when they decide to do so.

Survey responses indicate that most employees expect their organizations to engage with social change issues:

- 90 percent reported it is at least moderately important that the organization they work for be involved in social change
- 32 percent of survey respondents reported that organizations should *always* respond to social change issues

The leaders we interviewed told us that large organizations and brands have an ability, if not a responsibility, to create change that most individuals cannot match on their own. Our research revealed that many organizations and employees realize it is getting harder to avoid engaging with social change issues. And CEOs agree: In The Conference Board 2019 **C-Suite Challenge™**, half of surveyed CEOs believe future customers will factor a company's values and corporate citizenship more prominently into purchasing decisions.¹

Some organizations have decided to get ahead of issues, while others engage with social change issues as part of their core values, and still others are propelled into action by customers, employees, or the media. This report doesn't address the full spectrum of social change issues, which includes politics, climate change, and many other issues. Instead, we focus on a subset of social change issues that, though still broad in scope, are related to employees and their inclusion and rights in the workplace.

At The Conference Board, we define social change for organizations as:

The use of an organization's leadership, brand, and resources to influence ways of thinking about cultural and social norms, internally and/or publicly, globally and/or within a region.

Survey respondents were asked how organizations should respond to a cross-section of 15 timely social change issues that affect employees: publicly only, both publicly and internally, internally only, or not issuing a response at all. (See the table below.)

Employees expect both a public and internal response to many social change issues that affect them in the workplace

How do you think your organization should respond to the following issues?

	Organization Response			
	Both Publicly and Internally	Publicly Only	Internally Only	Should Not Respond
Gender (e.g., female leadership, #MeToo movement, pay equity)	73%	6%	16%	5%
Disabilities (e.g., ADA accommodations)	71	6	21	2
LGBTQ (e.g., marriage equality, violence)	64	6	19	11
Well-being (e.g., physical and mental health, mindfulness)	62	5	30	3
Ageism (e.g., employment of people over 40)	57	4	33	6
Poverty (e.g., hunger, homelessness, shrinking middle class)	57	8	12	23
Veterans (e.g., PTSD, services, substance abuse)	56	6	20	18
Race Relations (e.g., racism, violence, #BlackLivesMatter movement)	56	6	20	18
Unemployment (e.g., joblessness, underemployment)	45	9	14	32
Immigration (e.g., refugee crisis, undocumented workers)	35	6	19	40
Religion (e.g., freedom, attire, violence)	33	5	29	33
Drug Usage (e.g., opioid epidemic, marijuana legalization)	31	4	41	24
Nationalism (e.g., representative democracy, violence)	30	6	17	47
Sizeism (e.g., weight bias)	26	4	29	41
Gun Control (e.g., legislation, rights)	22	6	15	57

N=513

Note: Dark blue shading indicates the highest ranked response, lighter blue shading indicates the second highest.

Source: The Conference Board, 2019.

HR's Role When the Organization Engages with Social Change Issues

HR plays an important role when an organization engages with social change issues that affect employees. In many cases, HR will lead the response efforts internally, often alongside employee networks. For public responses, HR can partner with the organization's senior leadership and marketing & communications, corporate social responsibility/sustainability, public policy, and legal functions to provide consistent messaging to employees. HR can put in place guidelines to help the organization respond quickly and appropriately. Guidelines should be specific to an individual organization. When creating such guidelines, HR should work to:

- Understand the social change issues that affect employees.
 - Realize that it is an unreasonable expectation for people to come to work and check their views on social change issues at the door. You should be aware of what is going on externally to the organization, especially with issues that

yield a lot of emotion. Keeping a pulse on current social change issues that affect employees is just as important as any other aspect of HR such as safety, ethics, and wellness.

- Ensure that leaders and decision makers are aware of the larger societal conversations and how they affect many employees. Recognize that a critical mass of employees who are passionate about an issue may push leadership to respond.
- Provide a forum to listen to employees to find out what they are most passionate about. Create opportunities for employees to channel feedback to the C-suite.
- Partner with leadership to determine the internal response if the organization decides to pursue a specific social change issue.
 - Find leaders in senior roles who are passionate about the issues and are willing to champion them thoughtfully.
 - Consider how your organization measures the diversity and inclusion constructs that are often associated with social change issues (e.g., equity in terms of pay, opportunity, and training).
 - Determine when to be proactive or reactive by formulating the best approach for your organization based on facts and business results. Know your constituents and bring them in on the issue.
- Engage with the social change issue.
 - If your organization is planning to release a public statement, ensure that internal communications are timely and consistent with the public response. Work with corporate communications and legal departments to develop a thoughtful response.
 - Allow employees time to process and ask questions, especially if you've chosen to respond publicly. Sit down with employees to discuss particularly sensitive issues.

Social Change Higher Expectations

Organizations around the world are no longer judged solely on their profitability or product quality but also on the quality of their relationships with customers, employees, owners, and communities, many of whom expect organizations to play a role in social change conversations. Some organizations are proactively becoming social enterprises that seek to maximize both profitability and benefits to society and the environment.

Simultaneously, organizations are operating in contexts of enormous social and political change linked to diversity, inclusion, identity, belonging, and many other constructs. Some organizations appear to be championing change through:

Advertising (e.g., Heineken’s “Worlds Apart” experiment to start a dialogue between individuals with different political positions²);

Donating money (e.g., Procter & Gamble’s support for equal pay by giving \$529,000 to the US women’s soccer team³); and

Fundraising (e.g., MAC Cosmetics Viva Glam line to raise money and awareness for acceptance of “All ages, all races, and all genders”⁴).

Other organizations take a faith-based public stance on social change issues (e.g., Chick-fil-A’s CEO speaking out against gay marriage on religious grounds⁵) or a new public stance based on a recent event (e.g., Dick’s Sporting Goods refusing to sell assault-style guns after the high school shooting in Parkland, Florida⁶). Sometimes it’s the rule of law that requires organizations to change (e.g., some European countries have begun to require corporations to publish a gender pay analysis;⁷ some states in the US have legalized marijuana). And still other organizations are forced into the spotlight by customers and social media (e.g., Starbucks⁸ and Sephora⁹ temporarily closing all of their stores to address racial profiling through bias and inclusion training).

Worldwide, individuals are engaging with social change issues through social media and by donating to causes they support. In addition, some customers will endorse or boycott brands that take a stand on social change issues. Many customers express the opinion that organizations should use their public prominence to engage in social change issues—that large companies and brands have an ability, if not a responsibility, to create change that most individuals cannot match on their own. These customers are also often employees who not only desire but also expect their employers to respond to social change issues. In fact, the 2019 Edelman Trust Barometer found that 58 percent of employees expect their employer to be a trustworthy source of information about contentious social change issues.¹⁰

Social change is not a new concept, but organizations are facing more pressure than ever to respond to calls for it. In sociology, social change is defined as transformation within the social structure that involves behavioral norms, cultural symbols, and value systems.¹¹ The Conference Board defines social change for organizations as:

The use of an organization's leadership, brand, and resources to influence ways of thinking about cultural and social norms, internally and/or publicly, globally and/or within a region.

The Politics around Social Change Issues

Many organizations are taking a very public stance on certain social change issues—for example, CEOs at companies such as BlackRock^a and Patagonia^b are publicly trying to improve sustainability in business and drive change. Some employees look to CEOs and senior leadership to take a stance on social change issues as politicians do.^c Therefore, organizations are also increasingly responding to social change issues raised by employees passionate about the issues, sometimes even advocating for the enactment of new legislation.

The Conference Board is nonpartisan but no stranger to issues that involve a political dimension. We publish research about environmental issues such as climate change, sustainability, and social change impact under the aegis of our Environmental, Social & Governance Center^d and cover issues such as health care, regulation, and tax reform through our public policy center, the Committee for Economic Development.^e

In our literature review, we found the decision about how to respond to a given social change issue often breaks along political lines. *However, for this report, we do not express a view on social change as it pertains to the political realm; instead, we focus on how organizations are responding to social change issues related to employees and how they decide whether to respond.* Some of our survey respondents and interviewees noted that organizations should not respond to social change issues such as gun control and immigration because of political implications. One of our interviewees, an HR leader from a US multinational delivery corporation, noted that “one of [my company’s] founding principles is neutrality—politics has no place here,” and many others noted a lack of response to political issues in general.

^a Peter Horst, “BlackRock CEO Tells Companies to Contribute to Society. Here’s Where to Start,” *Forbes*, January 16, 2018.

^b Whitney Bauck, “Patagonia’s CEO on How Saving the Planet Has Been Good for Business,” *Fashionista.com*, January 17, 2019.

^c Josh Bersin, “The Rise of the Social Enterprise: A New Paradigm for Business,” *Forbes*, April 3, 2018.

^d Please visit The Conference Board Environmental, Social and Governance Center [ESG Center] for additional research on social impact.

^e Please visit [The Committee for Economic Development of The Conference Board](#) for additional research on public policy issues.

In this study, we investigated a cross-section of 15 timely social change issues that affect employees and how organizations have been engaging with these issues. We share employee and leadership responses, as well as current business practices we observed and those we expect to see more of in the future. To ensure that we measured different facets of this topic, we employed a multimethod approach that combined a short online survey of over 500 global respondents; 10 qualitative interviews with global HR, sustainability, and D&I leaders; and a global focus group. (See “About This Report” and “About the Survey Respondents” on [page 25](#) for more information.)

Understanding How Organizations Define Social Change

Why is it important to look at social change from a human capital perspective? New thought-provoking research, the 2019 Edelman Trust Barometer, found that most employees trust their employers to do what is right *more* than they trust the government, media, or NGOs—even those who generally lack faith in the system still trust the organizations that employ them.¹²

However, this higher level of employee trust in organizations comes with increasingly high expectations. And organizations are only partially responding to those expectations; Edelman found that organizational performance regarding social change falls significantly short of employee expectations.¹³

In addition, there is no getting away from social change issues as they bombard us from all sides (e.g., through discussions with our family and friends, social media, news media, and entertainment). One of our interviewees, an HR leader at a US multinational aerospace corporation, said it best:

“We’re all impacted by social change, whether we want to [be] or not, and there is an emotional impact. Employees bring their thoughts and feelings into the workplace.”

How Do Organizations View Social Change?

One of the most challenging questions we asked our interviewees was how they viewed social change for organizations. Some of our interviewees recognized that issues that receive media attention affect employees and how they show up to work, particularly issues relating to the rights of people and how they are included in society.

Other interviewees responded that organizations cannot separate themselves from the communities, people, and structures they are tied to. An HR leader from a US multinational energy corporation expressed the view that organizations should play a role in social change:

“Companies should play a part of the equation of social change, because they are tied to the community and government that we work and live in.”

Another interviewee, an HR leader from a European chemical corporation, also noted it's important to look at how social change affects the business's entire ecosystem, saying:

“You need an organizational environment where society can thrive, and you need societies that thrive so that businesses can thrive.”

Another HR leader from a European multinational manufacturing conglomerate offered this advice:

“Broaden [the definition of social change] to the societal view. Social and societal views are difficult to distinguish. I always have a big picture of the societal background. We have nearly 400,000 employees globally, and the company reflects society.”

Why Do Social Change Issues Matter to Organizations?

Simply put, social change issues matter to organizations because they matter to many of their employees and customers, both of whom affect overall profitability. One sustainability leader we interviewed stated that “any social changes that affect the business are important.”

First, it is essential for organizations to respond to social change issues so that employees are able to bring their best selves to work. Research has found that employees' ability to bring their whole self to work increases their creativity, connection, and performance.¹⁴ Many social change issues correlate to how included employees feel in the organization, which can influence employee attraction, retention, and engagement—all of which affect profitability. A research study found that organizations that align D&I practices to business objectives are more likely to perform well on financial outcomes.¹⁵ Another study found that organizations with diverse management teams have 19 percent higher revenue due to innovation.¹⁶

Our interviewees concur with this finding. One interviewee said,

“What is really important for us as an organization is that [it] becomes more human. Years ago, no one would ask about a colleague's [sexual orientation], but now it is important to bring your whole self to work and there is no need for anyone to hide their backgrounds.”

Another D&I leader agreed, saying:

“We respond [to social change issues] because we want employees to feel like there is a place for them here...We provide external messaging aligned with the organization’s values that all communities are welcome and that we want the best and brightest—and the best talent comes from a variety of groups.”

Second, social change issues are also supported by some customers who make buying choices based on an organization’s stance. The Conference Board® **Global Consumer Confidence** survey for 2019 found that a portion of consumers have switched brands because of the social causes that certain brands support—either shifting to a brand with social values aligned with their own or leaving a brand with social values they don’t share. This trend is most prevalent in Asia-Pacific and Latin America.¹⁷ In The Conference Board 2019 *C-Suite Challenge*[™], half of CEOs reported they believe future customers will factor a company’s values and corporate citizenship more prominently into purchasing decisions.¹⁸

Who Drives Social Change in Organizations?

Engagement with social change can come from a variety of sources within an organization. Typically, organizations consider the strategic value of responding to issues before taking any action. Our research found seven areas of the organization that often take the lead with social change issues:

- 1 The most senior levels of leadership** often lead the response to social change issues. They make the decisions about which social change issues the organization will respond to. They determine the strategic risk they’re willing to take, and they control the budget for various initiatives. One of our interviewees stated that most C-suite leaders in his organization have aligned themselves to specific issues as champions, and that has been effective. (See “CEOs Who Are Cause Champions” on [page 13](#).)
- 2 Employee networks** play an important role in driving the response to social change issues. Employee resource groups (ERGs) or other grassroots communities have members who are in touch with what’s happening externally. Members can be very passionate—they often pressure leadership to take action on specific issues. One of our interviewees at a global professional services firm discussed how ERG leaders at the organization bring issues to the C-suite to drive change internally and develop an external presence.

- 3 **Human resources** plays a large role in listening to employees' views on social change issues through continuous listening (e.g., annual or recurring engagement surveys or other analysis) and then directing an internal response. One multinational manufacturer does a factor analysis on attrition to see why people leave.
- 4 **Marketing & communications** can help drive the response to social change issues by controlling the narrative internally and externally in its traditional print and social media outlets.¹⁹
- 5 **Corporate social responsibility/sustainability** is another driver of the response to social change issues. One of our interviewees said that her organization's corporate social responsibility group has strategies regarding equality, education, racial issues, inclusion issues, and ageism. Another organization we interviewed has a sustainability group that focuses on environmental sustainability and human rights issues.
- 6 **Public policy** also advocates for social change through legislation that considers perspectives of both customers and employees in different geographies. One D&I leader we interviewed said that it was important to "give bipartisan support and see how [legislators] can effect change at both the national and state levels."
- 7 **Legal** acts as internal advisers on labor and employment issues both locally and globally. The general counsel can help determine which social change issues have legal implications and how to communicate about these issues, both inside and outside an organization.

CEOs Who Are Cause Champions

Many leaders who participated in our study noted that the major driver of change in their organization was the CEO. CEOs like Tim Cook of Apple^a and Marc Benioff of Salesforce^b are making media headlines because of their public stance on social change issues. Edelman found that 71 percent of employees agree that it is critically important for their CEO to respond to and talk about challenging times and sensitive topics.^c

CEOs may take a stance to use their platform for change, either on their own or because of employee encouragement. As one D&I leader put it, “our CEO doesn’t need a business case to do something; he believes it’s just the right thing to do.” CEOs may choose to get involved in issues that have a direct impact on the core business^d or because the issues align with corporate values.^e

The decision to comment on a particular social issue involves fundamental aspects of risk analysis. A firm we spoke with said one of the biggest challenges associated with getting involved in social change issues was the risk of losing clients because of a public stance. If CEOs and senior leaders are not already on board, another major challenge can be making the business case for taking a stance.

Regardless, with mounting pressure from grassroots movements, employees, shareholders, and the general public, CEOs should be ready to get ahead of the issues they deem important or potentially disruptive. As the authors of HBR’s article “The New CEO Activists” put it, “Smart CEO activists typically choose their issues; the issues do not choose them.”^f

^a Andrea Chang, “Apple CEO Tim Cook Is Forging an Unusual Path as a Social Activist,” *Los Angeles Times*, March 31, 2015.

^b Monica Langley, “Salesforce’s Marc Benioff Has Kicked Off New Era of Corporate Social Activism,” *Wall Street Journal*, May 2, 2016.

^c Cydney Roach, “Trust and the New Employee-Employer Contract,” Edelman.com, May 8, 2019.

^d Sue George, “How Can Business Drive Social Change?,” *Guardian*, April 15, 2013.

^e Aaron K. Chatterji and Michael W. Toffel, “The New CEO Activists,” *Harvard Business Review*, January–February 2018.

^f Chatterji and Toffel, “The New CEO Activists.”

Determining How Organizations Engage with Social Change

After internalizing what social change means for their organization, leaders should develop a framework for deciding when and how they will engage with social change issues in a way that supports the brand and reputation they want to uphold. This is no easy task, but staying silent may no longer be an option—according to our survey, 98 percent of employees believe that organizations should respond to social change issues at least some of the time (Chart 1).

Interestingly, the employee expectation that the organization respond to social change issues is not a generational phenomenon, as 98 percent of respondents of all generations in our survey sample want their organization to engage at least some of the time. However, millennial respondents feel somewhat more strongly about their organization responding than other generations: 40 percent of millennial respondents believe that organizations should “always” respond to social change issues, while only 30 percent of Gen Xers and 31 percent of baby boomers feel the same.

And responding to social change issues is not just for large organizations and major brands: 90 percent of surveyed employees believe it is at least moderately important that the organization they work for be involved in social change (Chart 2).

Chart 1

32 percent of respondents say organizations should always respond to social change issues

Do you think organizations should respond to social change issues?

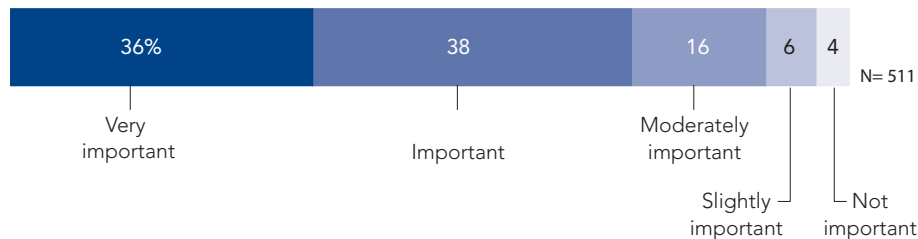


Source: The Conference Board, 2019.

Chart 2

Most employees believe it is at least moderately important that the organization they work for be involved in social change

How important is it to you that your organization be involved in social change?



Source: The Conference Board, 2019.

Many respondents felt that large organizations especially have a responsibility to use their size and brand to influence social change publicly. According to one respondent:

“It is inevitable that companies are part of the equation of social change because they are tied to government, academia, and the community...As an employee, it is difficult to dissect my personal life and work life. I think thoughts around social change [are] part of the responsibility of every individual on this earth.”

Choices Organizations Have When Responding to Social Change

Exactly how an organization should respond is a challenging decision, and organizations have choices. Potential responses fall into one of four categories:

- 1 Publicly only; through a press release, media statement, marketing message, or other public statement
- 2 Internally only; through messages to all employees, including emails, posters, brochures, resources, or other organization-specific methods
- 3 Both publicly and internally
- 4 Should not respond; the organization should not respond to the issue, either internally or publicly

Table 1 shows how employees feel their organization should respond to social change issues related to specific groups of people or topics. The results are interesting. The majority of respondents believe that organizations should respond both publicly and internally to two-thirds of the issues presented. However, for some specific topics, many employees believe their organization should just respond internally, or, in some cases, not respond at all. Across the board, less than 10 percent of respondents felt that organizations should respond publicly to an issue without providing an internal response as well.

Table 1 **Employees expect both a public and internal response to many social change issues that affect them in the workplace**

How do you think your organization should respond to the following issues?

	Organization Response			
	Both Publicly and Internally	Publicly Only	Internally Only	Should Not Respond
Gender (e.g., female leadership, #MeToo movement, pay equity)	73%	6%	16%	5%
Disabilities (e.g., ADA accommodations)	71	6	21	2
LGBTQ (e.g., marriage equality, violence)	64	6	19	11
Well-being (e.g., physical and mental health, mindfulness)	62	5	30	3
Ageism (e.g., employment of people over 40)	57	4	33	6
Poverty (e.g., hunger, homelessness, shrinking middle class)	57	8	12	23
Veterans (e.g., PTSD, services, substance abuse)	56	6	20	18
Race Relations (e.g., racism, violence #BlackLivesMatter movement)	56	6	20	18
Unemployment (e.g., joblessness, underemployment)	45	9	14	32
Immigration (e.g., refugee crisis, undocumented workers)	35	6	19	40
Religion (e.g., freedom, attire, violence)	33	5	29	33
Drug Usage (e.g., opioid epidemic, marijuana legalization)	31	4	41	24
Nationalism (e.g., representative democracy, violence)	30	6	17	47
Sizeism (e.g., weight bias)	26	4	29	41
Gun Control (e.g., legislation, rights)	22	6	15	57

N=513

Note: Dark blue shading indicates the highest ranked response, lighter blue shading indicates the second highest.

Source: The Conference Board, 2019.

When an issue arises, leaders should choose fairly quickly whether to respond at all and then decide if they will speak out on issues publicly, internally, or both. One focus group participant told us that her organization designed guidelines to determine when to respond and in what way, noting that the message should be sent as quickly as possible after an issue enters the public sphere, so that the message does not lose its impact. These guidelines help the organization determine which type of response is warranted and who should respond, considering groups such as the leaders or executive sponsors of an ERG, the HR team, or the CEO.

Global Challenges in Driving Social Change

Responding to social change issues can be challenging in any environment, but we heard myriad challenges, particularly from representatives of large, global organizations. Regional laws and norms can make it difficult to take a public stance on certain social change issues, such as LGBTQ and women's rights. Nevertheless, global organizations are often expected to take a stance and therefore should have a pulse on social change issues around the globe.

One sustainability leader we interviewed works for a multinational manufacturer that addressed bonded labor in Southeast Asia. The manufacturer paid off the debt of bonded workers and spoke with its employees, labor agencies, and other large organizations in the area about this issue. Now that they know what to look for, if leaders at the company discover that a preferred labor agency is using bonded labor contracts, the partnership is immediately terminated. In addition, the company is also educating employees and prospective employees about this practice and provides support for those who have fallen victim to these contracts.

One interviewee mentioned that her organization has signed the United Nations Global Compact, along with over 13,500 other organizations in over 170 countries. The UN Global Compact includes six principles related to social sustainability: human rights, labor, gender equality, children's rights, indigenous peoples, and education for all.^a According to the interviewee, signing the Compact has raised awareness of issues related to these principles and stimulated dialogue, publicly and within her organization.

^a "Do Business in Ways That Benefit Society and Protect People," United Nations Global Compact web page.

Taking Only a Public Stance on Social Change Issues

Few survey respondents felt that organizations should respond to issues only publicly, without also issuing an internal response at the same time. But interestingly, in our interviews, we found that many organizations did in fact release public responses to certain social change issues without rolling out internal communications in tandem. Employees at one organization took to social media to express pride in their company's involvement in social change issues, one interviewee told us, though the company hadn't engaged with employees on these issues internally. In addition, an HR leader at a European chemical manufacturer noted that the organization's public stance on nationalism garnered positive reactions from current employees and even attracted applicants to the company.

However, when the issues are controversial, issuing a public response without an internal explanation can lead to concerns for employees. While many respondents agree that a public response is warranted in many instances, most agree that the response should not be *only* public; internal communications are also recommended to ensure employees understand the public response and feel they are part of it. Much of this responsibility falls, at least in part, to HR or D&I teams. One survey respondent wrote about a

time when the CEO issued a public statement about a political issue without further communication internally, leading to mixed feelings for employees—not everyone was comfortable with the organization’s stance, and some did not know where to turn to talk about it. HR or D&I leaders can consult with corporate communications and legal departments to formulate a response and ensure employees are comfortable with any public response to social change issues.

Responding Both Publicly and Internally to Social Change Issues

When a public response is warranted, most respondents noted the organization should issue an internal notification as well, creating an opportunity to discuss the issue within the organization. Almost three-quarters of our survey respondents said the organization should respond both publicly and internally about the corporate stance on disabilities (e.g., ADA accommodations) and gender equity (e.g., increasing the number of women in leadership, #MeToo movement), closely followed by LGBTQ rights (e.g., marriage equality, violence). (See Table 1 on [page 16](#).) In the interviews we conducted, these issues tended to be championed by employees through established networks in the organization, such as ERGs.

Additionally, organizations can take a public stance on social change when it is meaningful to support a group within the organization. Some interviewees spoke about public statements their CEOs made on social media about social change issues such as gender equity, immigration, and race relations. Generally, these statements were well received and seen as supportive to employees and communities. The interviewees spoke of employees feeling proud of the public stance taken in these instances.

Public statements can also lead to positive change internally. A US multinational aerospace corporation publicly stated that it would conduct a gender pay gap analysis in regions such as the UK, France, and Australia. Employees recognized that by taking part in this initiative, the organization would be more successful at addressing issues related to the gender pay gap inside the organization.

Large organizations should be particularly cognizant of the often-conflicting views of employees and customers. Multiple interviewees talked about the need to take a public stance and use the organization’s brand to create change without excluding those who might feel differently about the issue. One interviewee spoke about an instance when the organization promoted the use of birth control, making employees of certain religious communities uncomfortable. In this instance, the D&I team needed to be particularly sensitive to employees on both sides of the issue, to ensure the organization was welcoming and inclusive.

Responding Only Internally to Social Change Issues

Some social change issues warrant an internal response, including communicating via email or other channels, providing access to resources, or enacting internal policies, but may not require a more public statement. About 40 percent of survey respondents believe drug usage is one such issue. Some indicated that organizations should issue internal policy statements to address marijuana legalization (on a local basis) and opioid addiction, for example. For about a third of our survey respondents, ageism, well-being, sizeism, and religion are also social change issues that warrant an internal response only.

In addition to asking about specific social change issues in our survey, we asked respondents an open-ended question about a time when their organization responded internally to a social change issue. The issues that employees say their organization *should* address (see Table 1 on page 16) align with the issues that organizations are addressing internally: issues related to gender equity and LGBTQ rights were most commonly described. Figure 1 presents a word cloud of terms employees most commonly cited in these responses.

Figure 1 **Issues Companies Responded to Internally Only**

Respondents were asked to provide examples of a time when their organization responded only internally to a social change issue. The more frequently a word occurred in those open-text responses, the bigger it appears in the word cloud.



Many organizations use internal forums to have open and honest conversations on social change issues. One organization holds an annual summit for each of its 11 ERGs to discuss issues relevant to the specific group of employees (e.g., employees with disabilities or veterans), and another has begun a popular monthly virtual session called “My D&I” on topics such as gun violence, terrorism, #MeToo, and nationalism.

Noting trends toward an aging workforce, a European chemical corporation was concerned about how ageism, in this case, potential discrimination against older workers, might affect teams across the organization. It created new team structures, reviewed training design, updated its HRIS, and began using digitization to preserve the knowledge of older workers and celebrate the impact that workers of all ages were making on the organization. This knowledge sharing has been successful not only in preserving organizational knowledge but also in helping workers of all ages feel valued and heard within the organization.

Some leaders spoke about the use of continuous-listening techniques to drive responses to social change issues internally. For example, one global D&I manager at a European multinational manufacturing conglomerate shared a story about using an employee survey to create change. In the last employee survey, the organization added a question about gender equity. Responses from one area of the organization showed that women did not feel they were treated fairly. The head of the department immediately invited all the women on the team to participate in a focus group to find a solution. Within one year of the survey, two women were promoted to major leadership roles. Another organization has similarly added questions to its employee surveys to gain perspective on employee sentiment, including prompts such as: “I trust that my company would respond to issues of discrimination in the workplace.”

Social change issues affect employees every day, and not only outside of organizational boundaries. One interviewee spoke about race relations within the organizational boundaries and the responsibility of HR leaders to respond to internal social change issues as they arise. When some employees were seen displaying Confederate flag imagery on clothing and other personal items following the Charlottesville shooting, the HR team spoke with employees individually about respecting fellow employees.

Not Addressing Some Social Change Issues

When it comes to speaking out about social change, it is difficult, perhaps impossible, to satisfy all stakeholders. As one head of global D&I in a multinational hospitality corporation told us, “You can’t be all things to all people.”

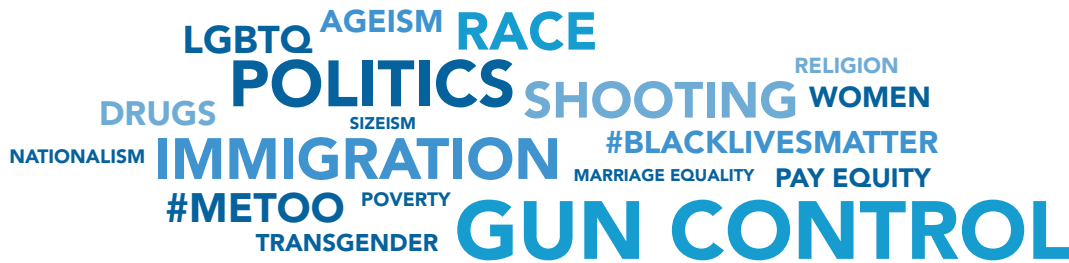
While not always the case, we found that disappointment surfaced more often over the times the organization did *not* respond than the times that it did. Respondents spoke of the need to be strategic when determining which issues to respond to and how to respond. Many mentioned the appropriateness of responding to issues that are in line with their organizations’ values. When referring to her organization’s commitment to D&I, one interviewee said, “Given that we serve the globe, we want to be able to employ the globe, and we want to employ people who have historically been left out and marginalized.”

That said, many respondents felt it was best to not take a stance on issues that did not align with their organizations' strategies. One respondent noted, "We don't put out messaging after an incident unless it directly involves our employees." Another survey respondent expressed a similar view: "We do not have a social mission...We have traditionally stayed away from speaking out." Other social change issues that many respondents believe organizations should not respond to include immigration, nationalism, religion, and sizeism.

When asked an open-ended question about social change issues that the organization has *not* responded to, survey participants mentioned fewer items than those that had been responded to (see Figure 2).

Figure 2 **Issues Companies Did Not Respond to**

Respondents were asked to provide examples of a time when their organization did not respond to a social change issue. The more frequently a word occurred in those open-text responses, the bigger it appears in the word cloud.



In some of the write-in examples, survey respondents expressed disappointment that the organization did not respond to certain social change issues. For example, one respondent noted, "[There is a] lack of response on veteran issues, with a significant [veteran] workforce."

One notable exception was the issue of gun control. The prevalence of the word "gun control" in the word cloud shows that organizations don't often engage with this social change issue. This corresponds with our findings about the issues employees think organizations *should not* be involved with (see Table 1 on page 16). Over half of our survey respondents do not believe their organization should respond to gun control issues. For many respondents, this lack of response is understood and even warranted. For example, one survey respondent noted, "Gun violence [is] not germane to our business, and therefore, our customers don't expect us to speak out or act on this." Another commented, "Although we usually have a note from our CEO on mass shootings, the message focuses on the event and does not take a stance on gun control itself. I think this is the proper way to handle these situations."

Social Change Meeting Expectations

Our global survey respondents and interviewees were unanimous about one thing—that their organizations are engaging with many social change issues internally and often publicly. One of our interviewees noted that “companies cannot deny responsibility for social issues. If you work for a large company, you have to manage your impact.”

HR’s Role When the Organization Engages with Social Change Issues

HR plays an important role when an organization engages with social change issues that affect employees. In many cases, HR will lead the response efforts internally, often alongside employee networks. For public responses, HR can partner with the organization’s senior leadership and marketing & communications, corporate social responsibility/sustainability, public policy, and legal functions to provide consistent messaging to employees. HR can put in place guidelines to help the organization respond quickly and appropriately. Guidelines should be specific to an individual organization. When creating such guidelines, HR should work to:

- Understand the social change issues that affect employees.
 - Realize that it is an unreasonable expectation for people to come to work and check their views on social change issues at the door. You should be aware of what is going on externally to the organization, especially with issues that yield a lot of emotion. Keeping a pulse on current social change issues that affect employees is just as important as any other aspect of HR such as safety, ethics, and wellness.
 - Ensure that leaders and decision makers are aware of the larger societal conversations and how they affect many employees. Recognize that a critical mass of employees who are passionate about an issue may push leadership to respond.
 - Provide a forum to listen to employees to find out what they are most passionate about. Create opportunities for employees to channel feedback to the C-suite.
- Partner with leadership to determine the internal response if the organization decides to pursue a specific social change issue.
 - Find leaders in senior roles who are passionate about the issues and are willing to champion them thoughtfully.
 - Consider how your organization measures the diversity and inclusion constructs that are often associated with social change issues (e.g., equity in terms of pay, opportunity, and training).

- Determine when to be proactive or reactive by formulating the best approach for your organization based on facts and business results. Know your constituents and bring them in on the issue.
- Engage with the social change issue.
 - If your organization is planning to release a public statement, ensure that internal communications are timely and consistent with the public response. Work with corporate communications and legal departments to develop a thoughtful response.
 - Allow employees time to process and ask questions, especially if you've chosen to respond publicly. Sit down with employees to discuss particularly sensitive issues.

Questions for Organizations to Consider When Faced with a Social Change Issue

Here are seven sets of focus questions to ask when faced with a social change issue in your organization:

- 1 Is there a policy in place to determine whether, when, and how to address a social change issue?
- 2 What would be the anticipated benefits of addressing a specific social change issue in the organization? What are the risks or drawbacks?
- 3 What are the social change issues that your organization is particularly well suited to address? Are there issues that should be avoided?
- 4 Do you have a continuous-listening forum that allows employees to provide feedback and commentary on social change issues? If so, what social change issues are your employees most passionate about?
- 5 When has the organization responded particularly well to a social change issue publicly? How did customers, employees, owners, and the community react?
- 6 If the organization has not responded publicly to an issue in the past, is the culture of the organization such that a public response would be appropriate going forward?
 - How would such a response be initiated?
 - Who internally would be best positioned to lead the effort?
- 7 When has the organization responded particularly well to a social change issue internally? How did employees react?

Endnotes

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About This Report

To explore the topic of how organizations (e.g., corporations, government agencies, nonprofits) engage with social change issues, the research team used a multimethod approach to collect data that included a literature review, an online survey, interviews, and a focus group. Fielded in late April 2019, our short online survey generated responses from 513 respondents from a variety of industries. The survey asked participants: 1) if they thought organizations should respond to social change issues; 2) if they thought *their* organization should respond to social change issues; 3) how they thought their organization should respond to 15 social change issues; 4) for an example of a time when their organization had responded internally to a social change issue; and 5) for an example of a time their organization had not responded to a social change issue. We also conducted 10 interviews with executives from HR, sustainability, D&I, and other related areas in different industries. Our focus group comprised approximately 10 D&I leaders from different organizations.

About the Survey Respondents

Survey respondents represent multiple levels within the organization: this included 29 percent at the director level, 26 percent individual contributors, 22 percent midlevel managers, 16 percent senior executives, 5 percent C-suite leaders, and 2 percent frontline supervisors. Respondents came from a variety of functions that included HR, D&I, sustainability, finance, talent management, information technology, corporate strategy, legal, compensation & benefits, marketing, communications, accounting, engineering, economics, and public relations. The respondents came from the following geographies: 84 percent from the Americas, 13 percent from Europe, and 3 percent from Asia. In addition, the respondents were multigenerational: 52 percent were Gen Xers, 28 percent baby boomers, and 20 percent millennials.

About the Authors

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