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More bosses take a stand on social issues

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Qantas chief executive Alan Joyce recently deepened his commitment to campaign on social issues, telling the Australian Associated Press: "What you see in any ... surveys that have been done on trust is people want strong leadership and authentic leadership, whether it's in business, in politics, in all forms of life."

Last year in a *Harvard Business Review* article, "The new CEO activists", Aaron Chatterji and Michael Toffel reported that more chief executives were taking a stand on divisive social issues.

Traditionally, business leaders might not have responded or might have adopted non-confrontational tactics, such as lobbying behind the scenes or contributing to campaigns. But times are changing and more big bosses are taking active roles. This includes raising awareness via social media, writing opinion pieces, or exerting economic influence by relocating business activities or funding activists.

Chatterji and Toffel conclude this has occurred because of frustration with growing political turmoil and paralysis in government. I would suggest it is one reason we are seeing an increase in chief executives speaking out on social issues in Australia too. Even stakeholders are starting to expect corporate leaders to speak out.

As Salesforce chief executive Marc Benioff told *Time*, "Today's CEOs need to stand up not just for their shareholders but their employees, their customers, their partners, the community, the environment, schools, everyone."

We saw a similar situation in Australia in 2017, with many chief executives supporting legalising same-sex marriage. The most prominent was Joyce. He was so vocal in support of the Yes vote that it even led to a disgruntled man smashing a meringue pie into his face during a public speech. Joyce (an openly gay man) was criticised by some MPs for using his company's brand to campaign on the issue.

Undeterred, Joyce continued to campaign for Yes, donating \$1 million of his money to the campaign. He was joined by more than 20 high-profile chief executives of some of Australia's largest companies, all offering their support.

Joyce echoed the sentiments of Benioff when he said: "I think it is very important for our employees, customers and our shareholders, and that is why Qantas is a supporter of marriage equality and a supporter of gender equality and a supporter of indigenous rights."

Many chief executives don't take an active role on social issues because they feel it will damage the company brand. Yet in his study of chief executive activism, Chatterji, of Duke University's Fuqua School of Business, found that "being in the neutral middle, where most companies used to be, is no longer tenable", adding: "It is seen as lacking authenticity."

Another study, *CEO Activism in 2017: High Noon in the C-Suite*, conducted by Weber Shandwick and KRC Research, revealed that 47 per cent of millennials surveyed believed chief executives should take a stand on social issues. This percentage dropped to 28 per cent for those in Generation X and baby boomers. The report also found that 51 per cent of millennials are likelier to buy from companies if their chief executive speaks out on issues. This is an 11 per cent increase on the previous year's data.

Ultimately it is the decision of the individual chief executive and the company if they take an active stand on social issues. The pros and cons need to be evaluated but the research suggests there are more benefits than negative consequences.

As Joyce stated: "We've seen our brand improve in the last few years, supporting marriage equality, supporting gender equality and indigenous rights. So, we're going to do a lot more of this because it's the best thing I think we've ever done."

Gabrielle Dolan is the author of *Real Communication: How to be You and Lead True*.

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