



Corporate Activism

The new influence of businesses when taking a stand on sociopolitical topics

- ▶ Our society expects companies to not only assume responsibility by means of social, economic, and ecological commitment (CSR), but also to **take a stance on sociopolitical issues**. Be it on discrimination, climate change, or most recently the Ukraine war, corporations have to position themselves in the **public debate** and thus actively **support social change**.
- ▶ Corporate activism is notably driven by the **possibilities of social media** communication. It allows organizations to easily take public stances on various issues and directly engage with stakeholders and the general public.
- ▶ Academic research is still in its infancy, as this phenomenon has gained ground only recently. A new **study by Leipzig University** explored the opportunities, risks, and success factors of corporate activism. It concludes that corporate activism isn't a short-term hype, but should be considered a long-term communication strategy.

Corporate activism is on the rise

The days when companies merely participated in social or political debates as neutral observers are over. Societal dispute has become a significant risk factor for global businesses. Not **taking a stand** on hot topics such as racism, climate change, or democracy is also seen as a clear statement and may come in for severe public criticism.

Social media has played a key role in promoting corporate activism. Corporations now own the platforms to share their views immediately without the need to engage with journalists or to coordinate their efforts within industry associations.

The **Edelman Trust Barometer 2022** confirmed that society expects businesses to declare and defend their values and to position themselves in the public debate. 81% of the global sample (27 countries) say that CEOs should be personally visible when discussing public policy.

The **2022 Global Communication Report** by the USC Annenberg Center, L.A., found that 85% of professional communicators expect the number of businesses who advocate for a cause will increase in the next five years. And 73% predicted they will increase their engagement with social issues this year.

Defining the concept

Is there a difference between corporate and CEO activism? And isn't it all about CSR? We try to clarify the different concepts.

▶ **Corporate social responsibility (CSR)** is usually company-related. It focuses on the social, environmental, and ecological commitment of companies, but doesn't normally include a political component.

▶ **Corporate activism**, also known as **corporate social advocacy (CSA)**, goes beyond CSR. It refers to corporate engagement in controversial social or political issues that often lack direct relevance to the company (Dodd & Supa, 2014).

▶ **CEO activism** has a similar meaning as corporate activism but refers specifically to corporate leaders speaking out on socio-political issues. These issues may (but don't have to) be related to their company's core business. Often, CEOs position themselves on the basis of their personal convictions, or in order to represent their company's values to the outside world.

▶ **Brand activism** refers to brands getting involved in socio-political debates. It pursues a communication strategy aimed at influencing the citizens or consumers through messages and campaigns shaped and supported by political values.

Threats and opportunities



- Without **authentic and credible engagement**, corporations are quickly criticized for "wokewashing" (they don't act the way they claim).
- Controversial topics often trigger negative reactions, and can **harm the corporate image and reputation**.
- The positioning of international companies is even harder due to **different values and norms** in countries/markets.
- **Resources are limited**, especially in smaller companies, yet corporate activism requires sufficient time & personnel.
- It's difficult to identify **relevant topics**.
- Sole advocacy for an issue: By being a **first-mover**, a company might attract the lion's share of criticism.



- ✓ **Thought leader:** Promoting social change, lead by example
- ✓ **Creating intangible assets:** Strengthening and promoting a diverse corporate culture, image, and reputation
- ✓ Creating respect and understanding for **minorities**, overcoming conflicts within the company
- ✓ **Employer branding:** Positioning the organization as an attractive employer, strengthening the dedication of the workforce
- ✓ Securing **trust and legitimacy**, ensuring room to maneuver for the company as well as the license to operate
- ✓ Establishing close, long-term **stakeholder relationships**

Taking a public stand entails both risks and opportunities for corporations. Nevertheless, the communications managers interviewed for this study share the strong belief that corporate activism is of enormous relevance and should be pursued strategically.

» We stand by the people of Ukraine, who can fully count on our solidarity and support. Attacks like these demand a very clear stance. And we have been very clear about ours. «

Bayer AG

Implementing corporate activism

Organizational set-up

As corporate activism relies on **cross-departmental collaboration**, the communications team needs to align their efforts with e.g., governmental relations, CSR, HR, D&I, etc.

Ideally, corporate activism would be set up as a **separate communication function**. A dedicated team would be in charge of coordinating all communication measures. In reality, the German companies reviewed by Julia Kloss for her study didn't have a dedicated role or team yet. Moreover, they haven't adopted a specific **communication strategy** to unfold the full potential of corporate activism. There is therefore still room for improvement.

Choosing the right topics

- ✓ Topics must be highly **relevant to society** and should be related to the company's core business.
- ✓ Relevant topics can be identified through **listening**, e.g. (social) monitoring, or issues management.
- ✓ **Typical examples** include democracy, political elections, migration, health policy, environmental policy, climate change, anti-discrimination and racism.

Planning communication measures

- ✓ **Target groups:** employees, customers, journalists & media, political decision-makers, applicants, investors & analysts, influencers, general public, etc.
- ✓ **Timing:** on fixed dates (e.g. Diversity Day, International Women's Day, Pride Month), or ad-hoc following meaningful events (e.g., death of George Floyd, Ukraine war)
- ✓ **Channels:** internally: intranet, executive videos, internal social networks and blogs, town halls, etc; externally: social media stories, CEO interviews, guest articles in magazines, owned media, speaking engagements at events or conferences, etc.

About the study

The research findings are a summary of the master's thesis by Julia Kloss at Leipzig University that was awarded the Guenter Thiele Prize 2022 for outstanding master's theses. Kloss analyzed the social media communication regarding socio-political topics of leading German businesses. In total, 700 posts by 46 corporations were evaluated.

Five success factors for corporate activism



Empathy

Most topics addressed by corporate activism are highly emotional and controversial. Companies must be empathetic and allow and accept (critical) feedback.



Long-term engagement

Instead of showing commitment occasionally, it's essential to integrate corporate activism on a long-term basis into the overarching communications strategy.



Support from the board

It's crucial that the top management represents the corporate values both internally and externally, and supports the positioning of the company.



Authenticity and credibility

Acquire a profound overview of your own performance first before weighing in on sociopolitical debates. Not knowing your own business makes you vulnerable to counterarguments by opponents. Ideally, an obvious link between the sociopolitical issue and your own company should be established in order to avoid criticism.



Remain in the driver seat

The responsibility for corporate activism shouldn't be handed over to external service providers. It's important to be familiar with the structures of the company and to be involved in the communication processes.

Furthermore, communication managers from ten German corporations in different industries were interviewed to gather insights into their communication strategy.

Sources: Dodd, M.D. & Supa, D.W. (2014). Conceptualizing and measuring "corporate social advocacy" communication: Examining the impact on corporate financial performance. Public Relations Journal, 8(3), 2-23.



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