Social Activism in Corporate America

William Stewart | Tony Calandro
CORPORATE AMERICA'S pov

A Povaddo Survey Examining Corporate Activism and Employee Engagement Inside FORTUNE® 1000 Companies

{* point of view *}

JUNE 2017
Survey Details

- Povaddo conducted an online survey of n=1,236 individuals throughout the United States who work for companies with annual revenues of at least $1 billion

- The sample was drawn from Research Now’s panel of over 11 million deeply-profiled individuals

- The margin of error associated with a sample of this type is ±2.8%

- The survey was fielded April 3-10, 2017

- This survey was funded by Povaddo and it was not conducted on behalf of any outside organization
More than half of those working in America’s largest companies feel that Corporate America needs to play a more active role in addressing important societal issues.

Q: Generally speaking, do you feel Corporate America needs to...

- Play a more active role in addressing important societal issues: 100%
- Strictly confine their activities to being financially prosperous and providing employment: 43%
- Total: 50%
More than half of those working in America’s largest companies feel that Corporate America needs to play a more active role in addressing important societal issues.

Q: Generally speaking, do you feel Corporate America needs to...

- Play a more active role in addressing important societal issues
  - Total: 100%
  - Millennials: 57%
  - Gen X: 64%
  - Boomers: 55%
  - Women: 53%
  - Men: 49%

- Strictly confine their activities to being financially prosperous and providing employment
  - Total: 50%
  - Millennials: 43%
  - Gen X: 36%
  - Boomers: 45%
  - Women: 47%
  - Men: 51%
Roughly half of Corporate America sees this as something that’s gaining momentum.

Q: Do you feel Corporate America’s role in addressing societal issues is more important than it was a year ago, less important, or about the same?

- About the same: 46%
- More important: 43%
- Less important: 11%

Q: Do you feel that your company’s role in addressing societal issues is more important than it was a year ago, less important, or about the same?

- About the same: 54%
- More important: 37%
- Less important: 9%
From a list of 23 specific issues, a decisive majority of employees would like to see their employer “use its influence to take a public stand and/or be more vocal” on 14 of them.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Majority Support</th>
<th>Mixed Support</th>
<th>Low Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal opportunity in the workplace</td>
<td></td>
<td></td>
<td>84%</td>
</tr>
<tr>
<td>Supporting veterans</td>
<td></td>
<td></td>
<td>78%</td>
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<tr>
<td>Data privacy</td>
<td></td>
<td></td>
<td>78%</td>
</tr>
<tr>
<td>Paid family leave</td>
<td></td>
<td></td>
<td>76%</td>
</tr>
<tr>
<td>Community development and safety</td>
<td></td>
<td></td>
<td>72%</td>
</tr>
<tr>
<td>Clean air, water, and open spaces</td>
<td></td>
<td></td>
<td>69%</td>
</tr>
<tr>
<td>Improving public education</td>
<td></td>
<td></td>
<td>67%</td>
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<tr>
<td>Renewable energy</td>
<td></td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td>Poverty and hunger</td>
<td></td>
<td></td>
<td>65%</td>
</tr>
<tr>
<td>Healthcare reform</td>
<td></td>
<td></td>
<td>65%</td>
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<tr>
<td>Public support for the arts &amp; community programs</td>
<td></td>
<td></td>
<td>62%</td>
</tr>
<tr>
<td>CEO compensation / executive pay</td>
<td></td>
<td></td>
<td>61%</td>
</tr>
<tr>
<td>Minimum wage</td>
<td></td>
<td></td>
<td>59%</td>
</tr>
<tr>
<td>Race relations</td>
<td></td>
<td></td>
<td>58%</td>
</tr>
<tr>
<td>Climate change</td>
<td></td>
<td></td>
<td>52%</td>
</tr>
<tr>
<td>International trade</td>
<td></td>
<td></td>
<td>52%</td>
</tr>
<tr>
<td>LGBTQ rights</td>
<td></td>
<td></td>
<td>52%</td>
</tr>
<tr>
<td>Religious freedom</td>
<td></td>
<td></td>
<td>51%</td>
</tr>
<tr>
<td>Animal welfare</td>
<td></td>
<td></td>
<td>48%</td>
</tr>
<tr>
<td>Immigration</td>
<td></td>
<td></td>
<td>44%</td>
</tr>
<tr>
<td>Campaign reform</td>
<td></td>
<td></td>
<td>37%</td>
</tr>
<tr>
<td>Gun control</td>
<td></td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Foreign policy</td>
<td></td>
<td></td>
<td>34%</td>
</tr>
</tbody>
</table>
However, “taking action” does not necessarily mean employees want their company or CEO to be more vocal on important societal issues.

Q: Would you like to see your company and/or your CEO be more vocal on important societal issues?

- **Engineering & Construction** [n=63] 62%
- **Telecommunications** [n=46] 52%
- **Business Services** [n=60] 50%
- **Technology** [n=118] 47%
- **Energy** [n=38] 42%
- **Financials** [n=177] 40%
- **Health Care** [n=120] 39%
- **Retailing** [n=107] 36%
- **Industrials** [n=36] 36%
- **Food, Beverages & Tobacco** [n=29] 34%
- **Transportation** [n=57] 32%
- **Aerospace & Defense** [n=60] 28%
Those who would like to see their company or CEO be more vocal are truly invested and want to see real engagement on societal issues within their company.

Q: How would you like to see your company and/or your CEO be more vocal on important societal issues? Select yes or no for each of the following.

<table>
<thead>
<tr>
<th>Activity</th>
<th>% YES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce new company policies or operations to support the issue</td>
<td>87%</td>
</tr>
<tr>
<td>Rally support among the company’s employees via internal communications</td>
<td>82%</td>
</tr>
<tr>
<td>Make donations to groups aligned with the company’s positions</td>
<td>81%</td>
</tr>
<tr>
<td>Make public statements via the press and social media</td>
<td>81%</td>
</tr>
<tr>
<td>Oppose government policies that go against the company’s positions</td>
<td>79%</td>
</tr>
<tr>
<td>Engage in issue advertising or cause-related marketing</td>
<td>71%</td>
</tr>
<tr>
<td>Pursue litigation on issues and/or policies that go against the company’s positions</td>
<td>61%</td>
</tr>
</tbody>
</table>

Q: Would you want your company and/or CEO to be more vocal on important societal issues even if it opened the door to reactions from governments or customers that could lead to business setbacks, loss of jobs and salary freezes?

- Yes: 55%
- No: 21%
- Unsure: 24%
Most employees want opportunities to make an impact on important societal issues from within their company.

Q: How important do you feel it is for your company to do the following things as a means of providing its employees with personal opportunities to make an impact on important societal issues?

- Provide matching funds for employee donations to nonprofit organizations that align with your company's social and environmental commitments
  - Very important: 43%
  - Somewhat important: 39%
  - Total: 82%

- Provide socially responsible funds for you to invest in through your company's 401(k)
  - Very important: 42%
  - Somewhat important: 32%
  - Total: 74%

- Provide new and better feedback channels to ensure employee attitudes on important societal issues are being heard by senior management
  - Very important: 33%
  - Somewhat important: 41%
  - Total: 74%

- Align your company's investments or pension plans with your company's social and environmental commitments
  - Very important: 30%
  - Somewhat important: 37%
  - Total: 67%

- Provide paid time off and/or onsite opportunities to demonstrate public support for important societal issues
  - Very important: 32%
  - Somewhat important: 31%
  - Total: 63%
Only one-third of employees are confident that their CEO has an understanding of employee attitudes toward important societal issues.

Q: When it comes to important societal issues, do you feel your company’s CEO has his or her finger on the pulse of employees’ attitudes towards these issues?

- **Yes**: 35%
- **No**: 31%
- **Unsure**: 34%
Only one-third of employees are confident that their CEO has an understanding of employee attitudes toward important societal issues.

Q: When it comes to important societal issues, do you feel your company’s CEO has his or her finger on the pulse of employees’ attitudes towards these issues?

<table>
<thead>
<tr>
<th>Unsure</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td>35%</td>
<td>31%</td>
</tr>
</tbody>
</table>

The c-suite needs to communicate to employees that important societal issues are on the company’s radar.

<table>
<thead>
<tr>
<th>Among those those respondents who feel their company’s CEO has his/her finger on the pulse of employees’ attitudes</th>
<th>Among those those respondents who DO NOT feel their company’s CEO has his/her finger on the pulse of employees’ attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would be very likely to recommend my company as a place to work</td>
<td>94%</td>
</tr>
<tr>
<td>I believe my company’s values align with my own personal values</td>
<td>96%</td>
</tr>
<tr>
<td>I am kept well informed of my company’s positions on important societal issues</td>
<td>92%</td>
</tr>
<tr>
<td>My company lives its values</td>
<td>96%</td>
</tr>
</tbody>
</table>
In terms of how corporate activism impacts employee engagement, this survey finds that there’s a benefit to taking action on important societal issues.

If my company and/or CEO made a **real effort** to make a difference on an important societal issue, I would be...

- **more likely** to recommend my company as a place to work **62%**
- **more likely** to recommend my company’s products/services **59%**
- **more likely** to continue working for the company long-term **58%**
- **more likely** to make positive comments about my company on social media **54%**
- **more likely** to increase my overall level of engagement in my work each day **52%**

(Split sample: n=641)
Conversely, there is a cost associated with inaction.

If my company and/or CEO made zero effort to make a difference on an important societal issue, I would be...

- less likely to recommend my company as a place to work: 49%
- less likely to recommend my company’s products/services: 41%
- less likely to continue working for the company long-term: 37%
- more likely to reduce my overall level of engagement in my work each day: 35%
- more likely to make negative comments about my company on social media: 27%

(Split sample: n=595)
A company’s actions regarding important societal issues impact 45% of employees when deciding whether to work for or continue working for their company.

Q: Do you agree or disagree with this statement:
*The actions a company takes to help influence important societal issues impact my decision to maintain or pursue employment with a company.*

- **45%** Agree
- **28%** Somewhat agree
- **17%** Strongly agree
A company’s actions regarding important societal issues impact 45% of employees when deciding whether to work for or continue working for their company.

Q: Do you agree or disagree with this statement:
*The actions a company takes to help influence important societal issues impact my decision to maintain or pursue employment with a company.*

- **Millennials**: 65% Agree, 17% Strongly Agree, 28% Somewhat Agree
- **Gen X**: 45% Agree, 17% Strongly Agree, 28% Somewhat Agree
- **Boomers**: 29% Agree, 17% Strongly Agree, 54% Somewhat Agree
- **Activists**: 87% Agree, 17% Strongly Agree, 8% Somewhat Agree
Overall, employees are split on whether their company and its CEO are facing growing pressures to be more vocal on important societal issues.

Q: Do you feel that your company and its CEO are facing growing internal and/or external pressures to be more vocal on important societal issues?

- Yes, internal pressures: 15%
- Yes, external pressures: 15%
- Yes, internal & external pressures: 20%
- No: 50%

50% YES
Nearly one-fourth of employees say they have felt an urge to take action within their company to raise awareness of important societal issues.

Q: Do you feel any urge to take some type of action to raise awareness of these issues within your company?

- Yes: 23%
- No: 77%

<table>
<thead>
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<tr>
<td>Women</td>
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</tr>
<tr>
<td>Men</td>
<td>20%</td>
</tr>
<tr>
<td>Management</td>
<td>31%</td>
</tr>
<tr>
<td>Non-management</td>
<td>14%</td>
</tr>
<tr>
<td>Republican</td>
<td>25%</td>
</tr>
<tr>
<td>Democrat</td>
<td>30%</td>
</tr>
<tr>
<td>Other affiliation</td>
<td>17%</td>
</tr>
</tbody>
</table>
Though employees want Corporate America to influence important societal issues, opinions differ on the role of the employee in pursuing this goal.

Q: Thinking about Corporate America in general and not just your employer...
Do you support or oppose the idea that employees should put pressure on their leadership to take a public stand or voice a public position on certain important societal issues?

<table>
<thead>
<tr>
<th>Group</th>
<th>% Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>33%</td>
</tr>
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</table>

- 35% Oppose
- 27% Support
- 18% Somewhat support
- 17% Neither support or oppose
- 19% Somewhat oppose
- 38% Strongly oppose
Povaddo defines “activist” employees as those who check the box on all four of these measures:

1. Strongly agree that it is important to work for a company that shares their values.
2. Would like to see their company and/or CEO be more vocal on important societal issues.
3. Are very interested in news, politics, and current events.
4. Agree that it’s important to work for a company that’s not afraid to be vocal on important societal issues.

Activist employees skew younger, skew women, skew more Democrat, skew more management:

- Millennials: 50%
- Gen X: 28%
- Boomers: 23%

- Male: 42%
- Female: 58%

- Democrat: 43%
- Republican: 34%
- Independent/Other: 20%

- Non-management: 26%
- Management: 74%
The average number of employees for a Fortune 500 company is 55,000. This means...

- More than **31,000** employees feel Corporate America needs to play a more active role in addressing societal issues
- **8,250** are Activists
- **14,850** want to put pressure on their CEO to take a public stand
- **35,750** are doubtful their CEO has his or her finger in the pulse of employees’ societal views
- **14,850** are more likely to make negative comments on social media if CEO makes no attempt
Implications

> Transformational change is coming to the workplace.
Implications

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- Magnitude of the findings cannot be ignored.
Transformational change is coming to the workplace.

Magnitude of the findings cannot be ignored.

Increasing number of employees view their employer as a “shared interest” group where they collectively work together to make a difference in society.
Implications

- Transformational change is coming to the workplace.
- Magnitude of the findings cannot be ignored.
- Increasing number of employees view their employer as a “shared interest” group where they collectively work together to make a difference in society.
- Trends are important but every company and workforce composition is unique.
Know your employees.
Know your employees.

- Conduct initial survey to quickly determine how well your workforce aligns with the key findings.
Know your employees.

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- Determine the degree of impact—both near and long term—on your business.
Recommendations

➢ **Know your employees.**
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➢ **Prepare for paradigm shift from employee “engagement” to “fulfillment.”**
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  - Create or leverage an existing cross functional group:
    - Do your existing programs and policies permit employees to fulfill their desire to make a positive impact?
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   • Create or leverage an existing cross functional group:
     - Do your existing programs and policies permit employees to fulfill their desire to make a positive impact?
     - Are your existing internal communication channels sufficient for employees and management to educate and inform each other?
Recommendations

› **Know your employees.**
  
  • Conduct initial survey to quickly determine how well your workforce aligns with the key findings.
  
  • Determine the degree of impact—both near and long term—on your business.

› **Prepare for paradigm shift from employee “engagement” to “fulfillment.”**
  
  • Create or leverage an existing cross functional group:
    
    - Do your existing programs and policies permit employees to fulfill their desire to make a positive impact?
    
    - Are your existing internal communication channels sufficient for employees and management to educate and inform each other?
    
    - Review management practices, decision-making processes and HR practices to determine their relevance.
Thank you

William Stewart | Tony Calandro

stewart@povaddo.com  calandro@povaddo.com

@Stewart_Wm  @TonySustain

povaddo

inspiring insights

425 N. New Ballas Rd., Suite 170
St. Louis, Missouri 63141
www.povaddo.com
@povaddo