

# Employee activism challenges CEOs to take action

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Employees are starting to organize around social or political issues and pressure their companies to do something about them. This trend of employee activism deserves careful attention from companies because it is only going to grow and requires careful management by business leaders.

Several incidents of employee activism have drawn attention in the past couple of years. In late 2016, IBM employees rose up in response to CEO Ginny Rometty's open letter to Donald Trump in which she praised the then newly elected president for his corporate tax break plans and pledged to collaborate with him on areas such as government infrastructure and security. Employees used Coworker.org, a website designed to help employees organize and launch campaigns to improve their jobs and workplaces, to issue a petition to IBM's leaders to take clear stands in light of Trump's immigration policies and other points.

Last year, Amazon employees tried to push management to stop running ads on Breitbart News. The movement started with an employee-initiated complaint ticket in Amazon's internal issue-escalation system that coincided with a public, online grassroots campaign protesting the news outlet and pressuring advertisers to cut their spending on it. The campaign then extended to an internal email chain of emotional messages about the topic, and nearly 600 employees eventually signed a letter addressed to CEO Jeff Bezos and the head of business development Jeff Blackburn denouncing the "hateful and bigoted content" on the media site. Attached to the email were personal comments from over 50 employees such as "I am a woman, immigrant, person of color. My employer needs to stand up to this site which is nothing but full of hate."

More recently, thousands of Google employees signed a letter to CEO Sundar Pichai, and a dozen or so employees have resigned, protesting Google's role in a program that could be used by the Pentagon to improve drone strike targeting. "We believe that Google should not be in the business of war," the letter read and called for the company to "draft, publicize and enforce a policy stating that neither Google nor its contractors will ever build warfare technology."

Several of the employees who quit their jobs spoke to tech news website Gizmodo to make public their dissatisfaction with Google leaders, whom they perceived to be less than attentive to their concerns.

## Employee activism reflects broader workplace trends

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This trend of employee activism is not surprising given that Cone Communications reports millennials prefer to do business with corporations and brands with pro-social and pro-environmental messages, and they are now the most populous generation in today's US labor force, according to the Pew Research Center. So it makes sense that this younger generation of workers are speaking out to their employers. In fact, according to opinion research firm Povaddo, 26% of millennial workers can be categorized as "employee activists" based on their belief that it's important to work for a company that's not afraid to be vocal on important societal issues.

But it's not only millennials. Generation Z, whose oldest members are just now turning 18, seem to be even more poised for activism as they enter the workforce, as demonstrated by the recent student protests over gun violence in the wake of the South Florida school shooting incident. And, Povaddo reports, 57% of employees at America's largest companies feel that their employers should do more about important societal issues.

Employee activism reflects the larger trend that people expect companies to make a positive social impact these days. People now use tools like the Human Rights Campaign, which monitors how firms treat gay and transgender employees, and the World Wildlife Fund, which tracks companies' environmental work, to hold companies accountable for the stances they take.

And as Harvard Business Review has reported, more CEOs now "passionately advocate for a range of causes." These include Merck CEO Kenneth Frazier, who resigned from Trump's American Manufacturing Council after the president's remarks about violence in Charlottesville, Va., and PayPal's Dan Schulman, who  canceled plans for a global operations center in Charlotte, N.C., in response to the state passing a law criticized as anti-LGBTQ. With CEO activism on the rise, it's only natural for employees to respond to their bosses' actions and mindset to advance their own agendas.

All signs indicate employee activism will continue to increase. As more employees adopt a consumer mentality to employment and employers, a company's position on social issues impacts their choices about jobs. Povaddo reports 45% indicate that a company's actions on societal issues will affect whether they stay at or join the company. And, according to

public relations firm Weber Shandwick, 44% of millennial American employees say they would be more loyal to their company if their boss took a public position on a "hotly debated social issue."

To remain an employer of choice and retain public goodwill, companies must recognize and leverage the influence of employee activism to create positive employee relationships and brand perceptions.

## Business leaders must address employee activism proactively

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Business leaders can mitigate the potential negative impact that employee activism may produce and instead leverage it to enhance their company's image. To do so, they must clearly articulate the organization's core values, cultivate a culture around those values and, when engaging on social issues, ensure that they are in align with the values. That way, a company is more likely to attract employees who support its values, and the values serve as common ground between leaders and employees who want to speak out on issues.

For example, the core values at Salesforce include "equality," and CEO Marc Benioff regularly refers to the company's values as a guiding force for the organization. So, when employees raised questions about the company's gender pay gap and when Outforce, the company's LGBTQ community group, organized a campaign supporting marriage equality, the developments weren't a surprise or concern to Benioff.

He picked up on the momentum generated by employees and enacted decisions that advanced it, such as increasing pay for women and creating a rule that would make it more likely that women would be promoted. Benioff and Salesforce are now perceived as leaders in the movement toward equal pay.

CEOs and other leaders must also engage in transparent and two-way communication with employees about the company's position on social issues. Not only will such communication help them meet employees' expectations to be engaged more actively, but also it will help identify potential conflicts and address problems before they develop.

After Rometty wrote her letter to Trump, the company invited comment from employees on its intranet. While reactions included praise as well as criticism, one employee's response announcing that the Trump letter had prompted her to quit received widespread media coverage. Perhaps if Rometty had communicated with employees before releasing her letter to Trump, she would have chosen a different course of action or at least would have been able to head off the negative coverage. It seems, though, that she learned the value of proactive employee communication when, a year later, she wrote a letter letting employees know the company was walking away from Trump's strategy and policy forum.

In contrast, consider, how a couple of years ago, then-Starbucks CEO Howard Schultz first engaged employees in a conversation about racial issues as part of its Race Together brand campaign. The morning after Schultz spent a sleepless night considering how his company could contribute to the #BlackLivesMatter conversation, he assembled what became the first of many employee forums to discuss the matter. Although the campaign

ended up being widely criticized by outsiders and the media, few employees were publicly critical of it because they were not surprised by it and had been given opportunities to share their opinions.

Leaders should also realize that the absence of communications is also a form of communication. Upon receiving the complaint ticket about the company's ads on Breitbart, Amazon's ad sales team responded by saying they were not taking action, and then the company's HR department closed the ticket. The decision to close the ticket without communication from company leaders caused confusion and more unrest among employees.

Later, sources said, Amazon leadership met with an employee representative of the group behind the online petition, but by then the problem had already received significant media attention and stoked the public's call for Amazon to end its relationship with the media company (Amazon still allows some forms of ads on the site).

Employee activism is a natural development in the current age when more people are looking to businesses to affect positive change where government has failed to do so. Instead of being caught off guard by it or taking a laissez faire approach to it, CEOs should get out in front of it.

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