

Reading the Signs of the Time

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Employee activism is on the rise. How can HR leaders be ready if a protest hits their organization?

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A rising tide of employee activism in the American workplace didn't truly burst into the public's consciousness until Nov. 1, 2018.

That was the day that about 20,000 Google employees made international headlines by walking off their jobs—not just at the firm's Silicon Valley headquarters but in more than a dozen other locations around the globe, from New York to Dublin to Singapore. Their worldwide protest was sparked by a *New York Times* investigation into how the search-engine giant handled sexual-harassment allegations raised by employees. Google's tech-savvy workers organized the massive event and developed a list of demands—including more transparency about such incidents, the appointment of an employee representative on the company board and the addition of a chief diversity officer—in little more than a week.

The protesting employees chanted “Time’s up!”—the mantra of the broader social movement against misogyny and harassment in the workplace—and carried signs complaining that some of the profits from their labor went toward settlements with misbehaving male executives. None of the Google workers, including the organizers, were punished for taking part.

Instead, top executives at the firm—which famously launched with the motto “Don’t be evil”—apologized and promised to meet many, if not all, of the demands. Google CEO Sundar Pichai insisted that the company was evolving. “It’s been a difficult time,” he said that week at a conference. “There is anger and frustration within the company. We all feel it. I feel it, too.”

The Google protest received widespread media coverage—given the seeming novelty and size of a protest against a ubiquitous, widely used tech firm—but it was also just the leading edge of a sudden and powerful era of inwardly focused employee activism. Within a span of a few months, employee actions—sometimes online petitions, sometimes physical protests—took place at Microsoft and Salesforce (over contracts with U.S. immigration agencies and their controversial polices), Amazon (over placing ads on a right-wing news site) and IBM (over company support for President Donald Trump’s agenda). And Google also faced a second worker protest, this time over its work with the Pentagon.

Experts who’ve watched the explosion of employee activism over the last year say a combination of factors is driving the phenomenon: a younger workforce that’s been recruited with the promise of working for a socially responsible company, an improved job market (especially for workers with high-tech skills) that has employees more willing to risk speaking out, and the advent of social media and other 21st-century tools that allow expressions of dissatisfaction to spread rapidly throughout the workforce.

“Millennials expect to have their voices heard,” says Jerry Davis, associate dean for business at the University of Michigan, who has watched the trend of employee activism closely. He says companies that come to his Ann Arbor campus to recruit top graduates often make their firms’ culture and values a key part of their pitches—but those new hires can be quick to point out contradictions. Davis says it’s no surprise that protests are centered—for now—at tech giants headquartered in Silicon Valley or Seattle where “workers know they have some level of power ... that the people who work there have rare and powerful skills.”

While the companies that have been hit by these employee actions responded quickly and with seeming empathy to the workers’ demands—often, but not always, making policy changes as a result—these firms have not been particularly eager to relive the experiences. The companies contacted for this story generally declined to make HR executives available for interviews, including Google, whose representative said by email, “I’m afraid we’re not able to meet this request.”

But industry trend watchers say human resource executives who choose to downplay or ignore the surge in employee activism do so at their own peril. Instead, they advise CHROs to get ahead of the issue—to create open channels of communications and venues where workers feel their concerns are always listened to, if not acted upon.

“Every company talks the talk on culture, but they don’t always walk the walk,” says Amy Conway-Hatcher, a partner in the corporate investigations and government enforcement practice of Baker Botts. She stresses the importance of companies not only developing codes of conduct but actually living by them.

Some experts say firms that are reluctant to talk about activism by their workers should instead try to own the issue. “This is a sign of health, not a sign that somebody did something wrong,” insists Michelle Miller, the co-founder of Coworker.org, an online platform that launched in 2013 with the goal of helping employees address problems in their workplaces. “Instead of trying to have a legalistic response where you’re engaged in neutralizing [activism],” she advises, “as much as humanly possible, actively engage with the questions these employees are raising.”

Finding their Voice

One company that did exactly that was Salesforce, the San Francisco-headquartered cloud-based-software company. In June 2018, about 650 employees signed a petition objecting to the company’s work for the U.S. Border Patrol, citing news reports about the agency’s role in separating immigrant children from their parents at border crossings. Salesforce CEO Marc Benioff later insisted that some of the employee objections were based on misinformation—the firm’s software wasn’t used to aid the separations, he said—and its government contract was not terminated.

But Benioff told journalist Kara Swisher in an MSNBC telecast that the accuracy of his employees’ objections was “not really the point. The point, in my mind, is we didn’t have a way to have the conversation, and now we do.” Indeed, while the immigration issue was being discussed, Salesforce consulted with ethics experts from Harvard and Georgetown Law School, as well as groups such as Amnesty International. Ultimately, the company moved to create a brand-new Ethical and Humane Use office.

In the interview, Benioff told Swisher that all tech firms will need to come to terms with both the ethical implications of their products and how they intersect with their internal culture. “I think every company’s going to need to be able to have a structured conversation,” he said.

Indeed, the episodes at Silicon Valley fixtures such as Google and Salesforce raise the question of whether employee activism is only an issue in the tech sector, where higher-paid, highly recruitable young workers have more leverage. During Coworker.org’s six-year

existence, Miller says, she's seen actions at tech companies get more news coverage because of their higher visibility, but cultural issues exist at most workplaces.

"We've often started with people running a campaign around a dress code," says Miller, noting that today's employees are more inclined to rebel against work rules they perceive as too controlling or irrelevant. Coworker.org has worked with employees at companies like Starbucks, where workers recently convinced management to install safe-needle-disposal boxes in bathrooms, or at Publix supermarkets in Florida, where the issue was restrictions on employee facial hair. Miller notes that, while this type of action has risen in tandem with a recent wave of unionized-teacher strikes, some have begun to refer to the new workplace actions at nonunion firms as "alt-labor."

One reason it's been hard for companies to develop a plan for dealing with internal employee activism is that the array of issues that have sparked in-house petition drives or protest activities has been diverse and unpredictable. Many arise not from strictly internal issues—like #MeToo complaints at Google or company dress codes—but rather from the extremely fraught intersection between business activity and America's divisive and restive politics.

At IBM, some employees were infuriated in late 2016 with CEO Ginny Rometty's open letter that congratulated President Trump on his election victory and outlined various services the tech giant could offer his administration. Dozens of employees signed a petition—assisted by Coworker.org—criticizing Rometty's letter and declaring "our right to refuse participation in any U.S. government contracts that violate constitutionally protected civil liberties." Rometty and IBM allowed workers to openly discuss the issue on its intranet, and the debate arguably had an effect; one year later, the company halted its participation in a strategy and policy forum convened by Trump.

Last July, Microsoft CEO Satya Nadella held an employee question-and-answer forum at the company's headquarters outside Seattle, where workers handed him a petition on a USB drive containing 300,000 signatures—including 500 from company employees—demanding the firm cancel a contract with federal Immigration and Customs Enforcement, or ICE, because of its role in enforcing Trump's strict immigration policies.

The issue was a thorny one because Nadella had made it clear when he ascended to the CEO post at Microsoft in 2014 that he was making corporate social responsibility the center of a new business model.

"My mission is to put empathy at the center of everything I pursue—from the products we launch to the new markets we enter to the employees, customers and partners we work with," he said at the time. Four years later, Microsoft did not cancel its contract with ICE—

officials insisted the work was not connected to family separation—but Nadella promised the company’s future decisions would be guided by ethics. Its president, Brad Smith, also wrote a blog post calling for the U.S. government to better its immigration policies.

The episode dramatized how the push for firms to stress their positive impact on society—considered so critical for both recruiting and engaging a young, highly skilled workforce—has led to a kind of “blowback” directed against company moves that seem like contradictions. “In the changing workplace, employees expect to have a voice in how the company is run,” says Denise Lee Yohn, an author and consultant on brand building who has written about the employee-activism surge. “Younger employees are bringing these experiences, and people are getting more vocal about voicing their positions on social media.”

Getting Ahead of Activism

So, how should HR executives adapt to this new landscape?

Be consistent about the company’s ethics and values. A business’ social outlook needs to be more than just a mission statement or a recruiting tool, but rather something that infuses day-to-day operations. Yohn says HR executives “need to make sure they are very clear about what the culture and values are—and not just a statement on a plaque ... What are the beliefs and attitudes that leaders want to influence?”

Baker Botts’ Conway-Hatcher says it’s critical that people managers make sure C-suite leaders are held to the exact same code of conduct and ethical standards as rank-and-file employees. “HR leaders should find creative opportunities to focus corporate leaders on what it means to lead, what they expect of their teams and, importantly, what they expect of themselves,” she says. “The bottom line is that double standards don’t work.”

Remember that employees who care about the firm’s face to the outside world are an asset, not a liability. Subra Tangirala, a professor of management and organization at the University of Maryland’s Robert H. Smith School of Business, says business leaders constantly talk about a workforce that is both engaged and empowered to take action—so they shouldn’t be shocked when employees feel empowered to question the boss.

“When people have a larger purpose in mind, they are better engaged,” Tangirala says. What’s more, when companies make a decision with workers’ input, employees “will stand up for the company and what they are doing—that sends a message to the outside world.”

University of Michigan’s Davis agrees: “In a broader sense, you’re embracing innovation, especially since human capital is what’s leveraged by tech companies,” she says. “It benefits you to let [workers] have a voice, and to convey what things might protect you from shocks in the future.”

Worker activism often results from a desirable attribute: greater diversity. In other words, firms that make a priority of hiring more women, more non-whites and employees with a diverse international background should also expect a greater diversity of opinion around hot topics such as sexual-harassment policies, aid to military operations in the Middle East or internet censorship in China. Tangirala notes this can cut both ways, however—firms that react to vocal demands from one set of employees on a politically charged question should make sure there's not "a silent majority" that feels the opposite way.

Human resource leaders can create regular, open channels of communication. A number of firms conduct regular town-hall-style meetings with CEOs or other C-suite executives, or use intranets or social networks with the goal of fostering discussion and allowing pointed questions—and making sure workers feel heard.

Davis says new communication channels such as Slack are creating platforms where workers are already having conversations that can easily veer into the intersection between company actions and politics or complex social issues. He and other experts believe HR executives would do better to encourage and transparently manage these conversations rather than seek to stifle them.

"Whether it's a town-hall meeting or some high-tech solution, companies need to make sure there are open lines of communication and the executives need to explain the 'why' behind what they are doing," says Yohn. "They need to explain the rationale." She notes firms like Microsoft, which transparently explained controversial decisions to workers, didn't necessarily change course but fostered greater understanding.

The new environment in the workplace is arguably related to one other consequence: an uptick not only in employee activism but in what experts are calling "CEO activism"—such as company leaders like Paypal chief Dan Schulman, who publicly spoke out against North Carolina's controversial law on transgender bathroom usage. "Employees and CEOs—they probably do feed off one another," says Yohn, which is why "some business leaders are going out of their way to cultivate a culture where employees feel like they can speak up."

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