



## GIVING THOUGHTS

# Taking a Stand: How Corporations Speak Out on Social Issues

By Doug Pinkham, President, Public Affairs Council

Major corporations are facing growing pressure to weigh in on social issues—and this pressure is coming from both internal and external sources. In July 2016, the nonpartisan Public Affairs Council conducted a survey of major corporations to better understand how and why companies speak out on social issues such as discrimination, the environment, human rights and access to quality education. This *Giving Thoughts Series* article examines the sources of stakeholder pressure on companies, which issues companies are advocating for and what specific actions they have taken.

It's clear the business community is having an effect on the tenor and pace of awareness, acceptance or rejection of laws and policies related to social issues. One example is the recent law eliminating LGBT anti-discrimination protections in North Carolina, which led many companies to publicly oppose the decision and even boycott business activities in that state. As expectations rise for companies to engage via communications, advocacy or legal means—and as the implications for business become more clear—companies' ability to influence the discussion about social causes is likely to increase.

This *Giving Thoughts Series* article is based on *Taking a Stand: How Corporations Speak Out on Social Issues*, Public Affairs Council, 2016. (Reprinted with permission.)

---

## Key Findings

- Over the last three years, 60 percent of responding companies have experienced rising stakeholder pressure to get engaged in social issues such as discrimination, sustainability, human rights and education. None of the respondents reported that pressure had decreased.
  - Seventy-four percent of respondents said they expect pressure to get involved in social issues will increase over the next three years.
  - Stakeholder groups with the most influence over a company's decision to get involved are senior management, employees and customers.
  - Expectations for involvement are highest among companies with more than \$15 billion in annual revenue. More than three-quarters of these firms said they experienced increased pressure to weigh in on social issues. Eighty-six percent of large companies expect it to increase further over the next three years.
  - High percentages of companies said they were most involved recently in efforts to protect the environment (74 percent); end discrimination/restrictions based on sexual orientation (59 percent), gender (54 percent), gender identity (52 percent) or race (50 percent); improve access to quality education (59 percent); and protect human rights abroad (49 percent).
  - Publicly traded corporations were more likely than private companies to experience growing pressure to engage, and they were more likely to be involved in efforts to support various social issues.
  - While both U.S.-headquartered companies and non-U.S.-headquartered companies experienced similar pressure to get engaged in social issues, U.S.-headquartered companies were more influenced to do so than their non-U.S. peers by shareholders (39 percent vs. 9 percent), political leaders (22 percent vs. 9 percent) and advocacy groups (41 percent vs. 18 percent). (Note that the sample size of non-U.S. companies is small.)
-

## Major Survey Findings

### In the last three years, has stakeholder pressure on your company to get engaged in social issues increased?

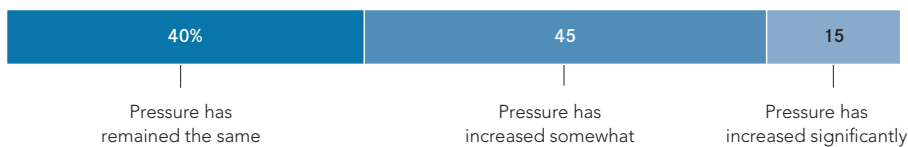
The vast majority of companies reported that pressure from stakeholders had increased somewhat or significantly. None of the respondents said pressure had decreased.

Nearly half (48 percent) of private companies said pressure remained about the same in the last three years, while only 33 percent of publicly traded corporations stated that pressure remained the same.

Sixty percent of U.S.-headquartered companies saw an increase in pressure—either somewhat or significant—in the last three years, compared with 55 percent of non-U.S.-headquartered companies.

Chart 1

#### Stakeholder Pressure to Engage on Social Issues in the Last Three Years



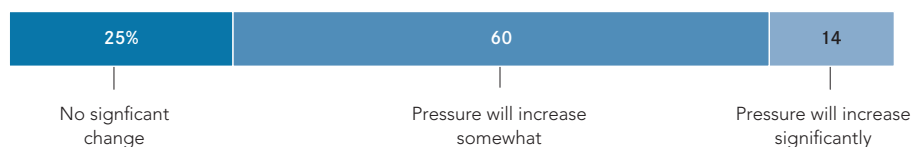
Source: Public Affairs Council, 2016

Additionally, the largest companies (i.e., those with revenue greater than \$15 billion annually) were the group most likely to report they received increased pressure in the last three years. More than three-quarters (76 percent) indicated that pressure had increased to some degree, with 26 percent of these companies indicating that it had increased significantly.

### In the next three years, how do you expect the level of pressure on your company to get involved in social issues will change?

Chart 2

#### Expectations for Stakeholder Pressure to Engage on Social Issues in the Next Three Years



Source: Public Affairs Council, 2016

The majority of responding companies (74 percent) said they expected pressure to increase. Seventy-seven percent of publicly-traded companies believed the level of pressure to engage on social issues will increase somewhat (57 percent) or significantly (20 percent) over the next three years. Seventy-four percent of privately-held companies believed pressure will increase somewhat (67 percent) or significantly (7 percent) in that same period.

One-quarter of U.S.-headquartered companies surveyed did not expect significant change in the next three years, compared with only 17 percent of non-U.S.-headquartered companies did not expect significant change.

No smaller companies expected a significant increase in pressure over the next three years, whereas 21 percent of the largest companies did expect a significant increase in pressure. Seventy-two percent of the smaller companies, however, expected pressure will increase somewhat compared with 65 percent of the largest companies.

### Has your company been engaged through broad-based communication or advocacy in the following social issues in the last three years?

Publicly-traded corporations were more likely than private corporations to be involved (either somewhat or very involved) in favor of every issue except affordable housing and increased access to social services (and only slightly less than privately-held companies in those areas). Few companies took a significant stand against a position listed.

The issue related to support for the environment and sustainability had the most against responses: 11 percent of private corporations had taken actions against this issue vs. 4 percent of publicly-traded companies.

Companies with more than \$15 billion in annual revenue were most involved recently in favor of the following positions (either somewhat or very involved):

- Environment and sustainability (85 percent)
- End discrimination/restrictions based on sexual orientation (82 percent)
- End discrimination/restrictions based on gender (73 percent)
- Access to quality education (73 percent)
- Human rights abroad (71 percent)
- End discrimination/restrictions based on gender identity (65 percent)

The smallest companies were most involved in favor of these positions (either somewhat or very involved):

- Environment and sustainability (56 percent)
- Relieve hunger and improve food security (50 percent)
- End discrimination/restrictions based on race (44 percent)

Table 1 **Position on Social Issues**

<b>Position</b>	<b>Very involved in favor of this position</b>	<b>Somewhat involved in favor of this position</b>	<b>Somewhat involved against this position</b>	<b>Very involved against this position</b>	<b>Not involved in this issue</b>
Support for end to discrimination/restrictions based on race	16%	34%	1%	0%	49%
Support for end to discrimination/restrictions based on gender	18	36	1	0	46
Support for human rights abroad	10	39	1	0	50
Support for end to discrimination/restrictions based on sexual orientation	23	36	3	0	38
Support for end to discrimination/restrictions based on gender identity	18	34	1	0	47
Support for access to quality education	24	35	1	0	41
Support for environment and sustainability	41	33	4	1	21
Support for access to affordable housing	10	12	6	0	72
Support to relieve hunger and improve food security	19	21	3	0	57
Support to increase access to social services	8	20	3	0	69
Other	30	11	0	1	57

Source: Public Affairs Council, 2016

In the last three years, what specific actions has your company taken on any of the above issues?

Table 2 **Actions Taken On Issues**

Actions	Percentage of Respondents
Joined a coalition	64%
Lobbied at the state or local level on an issue	51
Issued a press release or public statement	49
Lobbied at the federal level on an issue	45
Signed a petition	43
Issued a formal policy position	40
Conducted media interviews on the company's position regarding the issue	35
Testified before a legislative body	23
Filed an amicus brief	22
Began/stopped supporting a candidate for public office	21
Activated grassroots advocates on an issue	21
Other	17
Began/stopped supporting a political group that advocates for social issues	15
Updated PAC contribution criteria to reflect a candidate's position on an issue	11
Stopped selling a product that caused controversy related to a social issue	1

Source: Public Affairs Council, 2016

Publicly traded companies were more likely than privately held companies to:

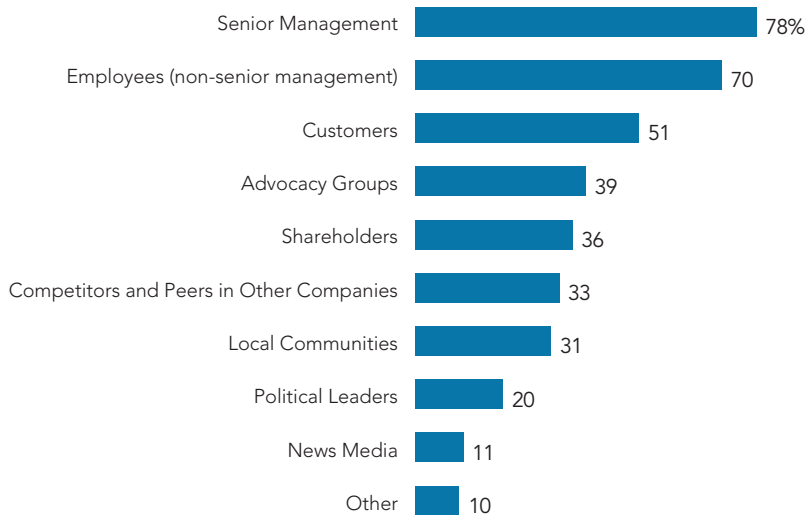
- Join a coalition (73 percent vs. 50 percent)
- Issue a formal policy position (43 percent vs. 33 percent)
- Issue a press release or public statement (55 percent vs. 38 percent)
- File an amicus brief (27 percent vs. 17 percent)

The most common actions taken by the largest companies (those with more than \$15 billion a year in revenue) were (in descending order) joining a coalition; issuing a press release/public statement; lobbying at the state or local level; issuing a formal policy position; signing a petition; lobbying at the federal level; and conducting media interviews.

The most common actions taken by the smallest companies (those with less than \$3 billion a year in revenue) were (in descending order) joining a coalition; lobbying at the state or local level; and conducting media interviews on the company's position.

## Which of the following stakeholders have influenced your company's decision to get involved or not get involved in social issues?

Chart 3  
**Stakeholder Groups Influencing Action**



Source: Public Affairs Council, 2016

Employees (both senior management and regular employees) have been extremely influential when companies have made the decision to get involved or not get involved in social issues. The next most influential stakeholder group has been customers. Companies headquartered in the U.S. were more influenced than their non-U.S.-headquartered peers by advocacy groups (41 percent vs. 18 percent), shareholders (39 percent vs. 9 percent) and political leaders (22 percent vs. 9 percent).

## Conclusions

Companies are not remaining quiet when it comes to supporting social issues, driven largely by a desire on the part of employees for their employer to take a stand. Customers too are pushing companies to get behind causes that are increasingly capturing attention in the mainstream media.

What these findings tell us is that many of these social issues are now viewed as business issues. They affect a company's ability to attract and retain talent and meet the expectations of customers. Expect employees to continue pressuring companies to take a stand on current and future social issues—and expect companies to keep paying attention.

## Methodology and Profile of the Survey Group

The Public Affairs Council distributed the survey to more than 1,000 private and publicly traded companies across a wide variety of industries in June and July, 2016. The survey was shared via email to unique corporate contacts, and all data were reviewed to ensure the data set included distinct corporate responses. A total of 92 companies provided usable responses.

Nearly two-thirds of responding companies were publicly traded:

Chart 4

### Profile of Survey Group

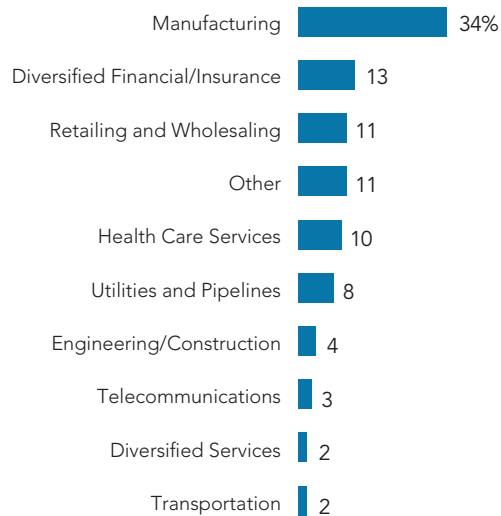


Source: Public Affairs Council, 2016

Survey respondents represented many different industry sectors. The largest were manufacturing (34%) and diversified financial services/insurance (13%).

Chart 5

### Survey Group by Industry Sector



Source: Public Affairs Council, 2016

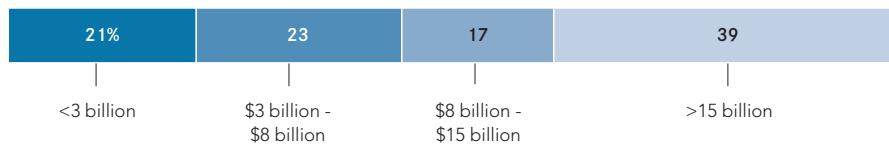


Major sub-sectors under manufacturing included food and beverage (20%), motor vehicles and parts (13%), pharmaceuticals (13%), aerospace and defense (10%), chemicals (10%) and software, hardware and communications equipment (10%).

Eighty-five percent of companies reported that they are headquartered in the U.S., but only 75 percent indicated that the majority of their revenue comes from the U.S.

Responding companies were also analyzed based on the previous year's annual revenue. More than one-third (39%) of respondents had annual revenue greater than \$15 billion for their most recent fiscal year:

Chart 6  
**Survey Group by Annual Revenue**



Source: Public Affairs Council, 2016

---

#### ABOUT THE AUTHOR

**Doug Pinkham** is president of the Public Affairs Council, the leading international association for public affairs professionals. Doug was elected to head the Council in 1997. Under his leadership, the Council has expanded its membership, online services, research on emerging public affairs trends, conferences and global public affairs programs. He has written numerous articles for trade/professional magazines and books and is a frequent speaker on public affairs, politics, communications and corporate management. He has been quoted widely in the print and broadcast media, including *The Wall Street Journal*, *The Washington Post*, *USA Today*, *Fox Business News* and *NPR*.



## ABOUT GIVING THOUGHTS

*Giving Thoughts* is a public forum in which The Conference Board engages experts from the disciplines of corporate philanthropy, impact investment, and social innovation in an open dialogue about issues of concern to member companies. Subscribe for free to the *Giving Thoughts* blog and series at [www.conference-board.org/givingthoughts](http://www.conference-board.org/givingthoughts).

The opinions expressed in this report are those of the author(s) only and do not necessarily reflect the views of The Conference Board. The Conference Board makes no representation as to the accuracy and completeness of the content. This report is not intended to provide legal advice, and no legal or business decision should be based solely on its content.

## ABOUT THE SERIES DIRECTOR

**Matteo Tonello** is managing director of corporate leadership at The Conference Board in New York. In his role, Tonello advises members of The Conference Board on issues of corporate governance, shareholder activism, corporate sustainability, and philanthropy. He regularly participates as a speaker and moderator in educational programs on governance best practices and conducts analyses and research in collaboration with leading corporations, institutional investors, and professional firms. He is the author of several publications, including *The Corporate Governance Handbook: Legal Standards and Board Practices*, *Sustainability in the Boardroom*, *Institutional Investment*, and the annual *US Directors' Compensation and Board Practices* report. Recently, he served as the co-chair of The Conference Board Expert Committee on Shareholder Activism and the Technical Advisory Board to The Conference Board Task Force on Executive Compensation. He is a member of the Network for Sustainable Financial Markets and the Advisory Council to the Sustainability Accounting Standards Board (SASB). Prior to joining The Conference Board, he practiced corporate law at Davis Polk & Wardwell. Tonello is a graduate of Harvard Law School and the University of Bologna.

## ABOUT THE EXECUTIVE EDITOR

**Alex Parkinson** is a senior researcher, corporate philanthropy and associate director, Society for New Communications Research of The Conference Board (SNCR). He led the integration effort between SNCR and The Conference Board when the two organizations came together in February 2016 and now serves on the combined entity's Advisory Board. He is the executive editor of *SNCR 2020: Exploring New Communications Tools and Technologies*, *Giving Thoughts* blog and online publication series, and *Framing Social Impact Measurement*, a compendium report that responds to the growing demand for information on evaluating the performance of grants. He is the author of *Unlocking the Value of Integrated Corporate Communications and Marketing*, *Making Sense of Social Impact Bonds for Companies* and *Better Together: Why A United Front Can Propel Diversity and Inclusion and Corporate Philanthropy in the United States*, and co-author of *Corporate Communications Practices: 2016 Edition*.

Before joining The Conference Board in September 2013, Alex worked as a Senior Consultant in London and New York for corporate social responsibility (CSR) consultancy Context. He has advised some of the world's leading multinationals on CSR communications and strategy development. His clients included Bloomberg, Brown-Forman, BSKyB, Burt's Bees, Cisco, HP, International Paper, PepsiCo, Roche, Standard Chartered, Syngenta, Teva Pharmaceuticals, and Vodafone.

### For more information on this report, please contact:

Alex Parkinson, senior researcher, corporate leadership at 212 339 0382 or [alex.parkinson@conferenceboard.org](mailto:alex.parkinson@conferenceboard.org)

**THE CONFERENCE BOARD** is a global, independent business membership and research association working in the public interest. Our mission is unique: to provide the world's leading organizations with the practical knowledge they need to improve their performance and better serve society. The Conference Board is a non-advocacy, not-for-profit entity, holding 501(c)(3) tax-exempt status in the USA.

**THE CONFERENCE BOARD, INC.** | [www.conferenceboard.org](http://www.conferenceboard.org)

**AMERICAS**  
+1 212 759 0900 | [customer.service@conferenceboard.org](mailto:customer.service@conferenceboard.org)

**ASIA**  
+65 6325 3121 | [service.ap@conferenceboard.org](mailto:service.ap@conferenceboard.org)

**EUROPE, MIDDLE EAST, AFRICA**  
+32 2 675 54 05 | [brussels@conferenceboard.org](mailto:brussels@conferenceboard.org)

**THE COMMITTEE FOR ECONOMIC DEVELOPMENT  
OF THE CONFERENCE BOARD**  
+1 202 469 7286 | [www.ced.org](http://www.ced.org)

**THE DEMAND INSTITUTE**  
A Division of THE CONFERENCE BOARD  
+1 212 759 0900

**THE CONFERENCE BOARD OF CANADA** | +1 613 526 3280 | [www.conferenceboard.ca](http://www.conferenceboard.ca)

To learn more about The Conference Board corporate membership, please email us at [membership@conferenceboard.org](mailto:membership@conferenceboard.org)