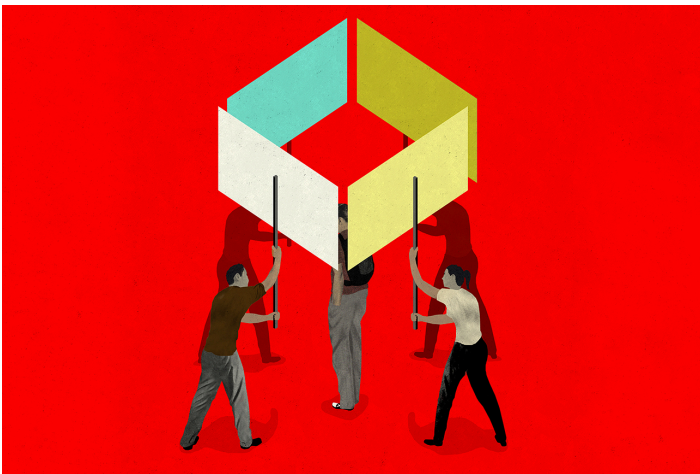


Leading in an Age of Employee Activism

Megan Reitz and John Higgins

Employees are demanding that managers engage on topics like climate change and racial equity — and leaders need to be ready to respond.



Brian Stauffer/theisspot.com

Leaders have been encouraging employees to speak up for years — after all, a healthy organization needs people willing to point out problems and share their ideas for improvement. But having invited dialogue, many managers are now finding that they are getting more than they bargained for.

Increasingly, employees are starting challenging conversations with management: “So, what’s our policy on Black Lives Matter, gender equity, and climate change? Or human rights in our supply chain?”

Some leaders have responded by saying that their organization is apolitical; handing off some hard-to-avoid issues to a diversity, equity, and inclusion (DEI) program; or keeping to business as usual.

But this course is being challenged — and with it the leadership agenda. We are entering an age of employee activism that may well upend our assumptions about power within organizations. Over half of the 1,500 employees we surveyed said they usually or always speak up to influence organizational action on wider societal or environmental issues. In a 2019 survey by the global law firm Herbert Smith Freehills, over 80% of companies predicted a rise in workforce activism.¹ Meanwhile, questions about an organization’s purpose and its potential impact on social inequity and other issues will become more vital concerns for future workers, according to a recent report drawing on discussions with 40 chief human resources officers of global companies.²

All of this signals a seismic challenge, because leaders are rarely equipped to respond to issues outside the traditional business management frame. Their unskilled reactions can lead to dire consequences for themselves, their organizations, and ultimately society and the environment.

Our research has examined who speaks up in organizations and who doesn’t, who gets heard, and whose voices are silenced.³ Over the past two years, we’ve focused on employee activism, which we define as “voices of difference, on issues of wider social and environmental concern, that seek to influence company action and that challenge existing patterns of power.”

In this article, we’ll explain why the issue of employee activism needs to become a higher priority for management,

provide a taxonomy of leaders' responses, and offer advice on how to engage proactively with employees and other stakeholders on the issues that matter to them.

Bringing Our Values to Work

A confluence of factors suggests that we're in a new moment when it comes to employee voice in the workplace. Social media and online activist platforms, such as the U.K.'s Organise, expose organizational action and inaction in high-profile ways that corporate public relations efforts cannot control. Social and economic pressure to advance diversity in workplaces is bringing in a broader range of voices that challenge the status quo. Millennials, now the largest generation in the workforce, hold a persistent interest in how businesses can effect (or hinder) positive change and are the most likely generation to engage in employee activism.⁴ (And they're confident: 70% of U.S. millennials surveyed agreed that "employees can make an even greater impact on our world than the leaders who run organizations.")

Finally, the perceived lack of action by institutions such as governments and trade unions to address issues of social importance has put increased focus on corporations to act. The 2021 Edelman Trust Barometer found that 86% of respondents expect CEOs to publicly speak out on societal issues — while 68% think CEOs should actively step in when government fails to do so.⁵

It's risky for leaders to ignore these increased expectations, in part because employees have shown that they are willing to leave their jobs when organizational stances do not reflect their values. In 2020, Brian Armstrong, CEO of the cryptocurrency trading platform Coinbase, wrote in a blog post, "I want Coinbase to be laser focused on achieving its mission. ... We don't engage here when issues are unrelated to our core mission."⁶ He suggested that employees who wished to be at an "activism focused" company might be better off elsewhere. In response, 60 people, about 5% of Coinbase's staff, accepted an exit package.

A similar scenario played out at Basecamp. In April 2021, CEO Jason Fried wrote to employees that there would be "no more societal and political discussions on our company Basecamp account," stating, "It's become too much. It's a

major distraction."⁷ This prompted an enormous backlash, and roughly a third of Basecamp's employees promptly quit. A few days later, Fried blogged, "We started with policy changes that felt simple, reasonable, and principled, and it blew things up internally in ways we never anticipated."

Leaders are finding that if they ignore social issues, or acknowledge them without demonstrating authentic commitment, they face reputational risks. For example, in 2018 Google employees staged a coordinated global walkout over how the company had handled cases of sexual harassment, with workers in Tokyo, Singapore, Dublin, London, Berlin, Zurich, New York, and Mountain View, California, all leaving their offices to rally outside at 11 a.m. local time on the appointed day. And workers at the humanitarian agency International Rescue Committee went to *The Guardian* newspaper in 2021 to accuse the nongovernmental organization's leadership of being "deeply committed to coloniality and white supremacy culture through their lack of commitment to real, tangible change."

In short, leaders will need to get more comfortable learning about — and taking positions on — issues that are beyond the traditional workplace boundaries. And they will need to become more skilled at developing considered responses to employee concerns about social and environmental matters.

How Companies React to Employee Activism

Company leaders often react intuitively when presented with requests to pay attention to issues outside of what they see as directly relevant to their operations. We see the following six common responses when managers are confronted with activist pressure.

1. **Nonexistent** ("Activism? What activism?") The company's leaders and board simply haven't discussed activism or activist issues. Leaders are baffled when asked about it.
2. **Suppression** ("Expel it before it spreads.") Leaders decide that activist issues should be "left at the door" in order to focus on the company's mission. They may treat activists in a way that leaves employees fearful of voicing concerns or attending nonwork events associated with activist causes.

3. Facadism (“Let’s just say the right thing.”) Executives say that issues matter to them and may make public proclamations but don’t take action. Employees see this talk as inauthentic (a facade) or hypocritical.

4. Defensive engagement (“What do the lawyers say?”) Leaders undertake the bare minimum of activities such as training in DEI and reporting on diversity numbers. There is limited engagement behind these activities.

5. Dialogic engagement (“Let’s sit down, talk, and learn.”) Leaders recognize that their perspective is incomplete and seek out different views and experiences from employees throughout their organization. Decisions on social issues are made collectively with employees.

6. Stimulating activism (“Let’s be the activist.”) The organization considers pushing for social and environmental issues part of its mission. Employees are recruited and promoted in part because of their activism and are encouraged to take a stand. The organization might give them time off to attend protests and even pay their bail if they are arrested.

Organizational leaders may respond differently to different issues, and among diverse stakeholders, individual responses will vary. In one large global partnership, we found that even within just the partner group, perceptions of their standard organizational response fell into all six categories in our taxonomy.

It is essential that leaders who want to become more proactive in replying to employee activism pay attention to what underlies their reaction. We use the acronym ACT IF (authority, concern, theory of change, identity, and field) to identify the key factors at play. (See “The ACT IF Framework.”)

Importantly, when it comes to how leaders respond to activism, our research shows that as they gain seniority, they increasingly believe that others are willing and able to speak up, even when others aren’t in fact doing so. And they also are more likely to believe that they are engaging proactively: When surveyed about their organization’s response to employee activism, 75% of senior leaders said they have actively engaged in activism or dialogue. In contrast, only

45% of junior respondents thought their organizations were responding proactively.

Leaders can’t make big public statements or instigate significant structural changes in response to every request for action, but our research suggests that they do need to engage with employees to determine which issues to grapple with and what actions to take, and to make those choices thoughtfully.

A Leader’s Playbook

Our research suggests that company leaders should take the following actions to prepare for and respond proactively to increasing pressures from employee activists.

Talk through assumptions and judgments about activism. We know that *activism* is a loaded word. We’ve asked thousands of people these questions: “What comes to mind when you hear the word *activism*? What images, ideas, or sounds do you associate with it? What experiences have you had that relate to activism at work, at home, or in your community?” You as a leader need to start by asking these same questions of yourself and your colleagues.

We know that people associate activism with everything from commitment and courage to troublemaking and even violence. In one board room we’ve worked in, an employee who launched a discussion on Slack about the company’s apathy to its carbon footprint was seen by some as a troublemaker and by others as a trailblazer who could educate them. As Ruchika Tulshyan, author of *The Diversity Advantage*, put it, “What is ‘rebellion’ to one person is another’s pursuit of basic human rights.”

Attitudes toward employees who raise uncomfortable questions will color any discussion. Leaders need to examine the assumptions they have about activism itself and about employees who speak up, and check how these biases — both positive and negative — affect their reactions.

Find out what really matters to employees. Employees won’t necessarily tell company leaders what they care about, especially if they don’t feel safe doing so. Insights need to come from more than an annual employee survey, which is too often shaped by what managers think they know and

whose results are shared through graphs that have been sanitized by HR.

A chief people officer in a global pharmaceutical organization reflected that employee surveys “are only as good as the questions asked — and in no way are they primed toward activist issues. There isn’t a question saying, ‘Do you think we should take more of a stand on Black Lives Matter?’” A CEO at a global retailer told us that her team spends a lot of time with employees in their stores. “They are there listening,” she said. “And listening means a true willingness to change. You can’t delegate your listening responsibility to pulse surveys.”

Seeking out difference and inviting challenge can be accomplished in a number of ways. Reverse mentoring can introduce executives to the experiences of others. Onboarding and exit interviews can be used to gauge what is on employees’ minds. Employee resource groups can also help steer leaders.⁸ A senior executive in health care told us that, following some missteps in his response to Black Lives Matter, he put in place a team of employees drawn from across the business. They are on call to come together whenever leadership needs to consider how to respond to specific social issues.

It is vital to acknowledge that none of these information-gathering activities will achieve anything unless leaders are genuinely curious and have sufficient humility to set aside the trappings of their status to learn from employees at every level of the organization.

Don’t claim that the organization is apolitical. In a 2019 staff meeting, Wayfair’s cofounder, Steve Conine, told employees that although he was opposed to migrant detention centers at the U.S. border, Wayfair was “not a political entity” and therefore should not take a stand against the mistreatment of immigrants and their families (or decline to sell beds to be used at those centers). About 500 Boston-based employees promptly took to the streets in protest.

Those claiming to be apolitical may hope that such statements read as a neutral stance, but in reality, inaction is as much of a position as action. Leaders need to accept that attempting to convey neutrality is no less risky than taking a stand. It often reflects a leader’s lack of confidence in their

ability to manage conflict — or their discomfort with wading into discussions in which they have no expertise.

A better path is to be honest about why you have not yet taken a position on an issue — and signal that you want to open an ongoing conversation with employees before you determine how to respond, as our next point describes.

Share information — and decision-making. Sharing information with employee representatives and including them in decision-making forums and processes is deeply valuable in working through complex problems.

Like Wayfair, Salesforce also recently faced challenges from employee activists regarding its work with the U.S. Border Patrol. In response, it set up the Office of Ethical and Humane Use of Technology. In a 2018 magazine interview, CEO Marc Benioff explained that the company had created “a structure and a vehicle to engage not only our employees, but also key stakeholders, to have these discussions about where is all this technology going.” He claimed that decisions on thorny issues would thereafter be made “in concert” with activist groups.

This seemingly simple advice to involve employees runs up against one of the hardest management tropes to break: Leaders and managers are expected to be in control; they’re expected to demonstrate that they have a grip on organizational performance and direction. And yet this is a classic case where being in control is about letting go of traditional rules. When it comes to activist issues and concerns, what often is needed is space and time for answers to emerge organically. Leaders should create a setting where people can come to understand one another and feel secure speaking from the heart about topics that have historically been off the agenda.

Include activism as part of your strategic plan. Nearly half of our interviewees pointed to the importance — for both activists and their organizations — of including activist issues in the company’s strategic plan.

U.S. ice cream manufacturer Ben & Jerry’s is clear on the centrality of activist issues: It staffs a unique senior role, head of global activism strategy, and holds weekly team meetings to identify and discuss social justice issues. The company’s

unequivocal stance on systemic racism enabled it to be among the **first and the most uncompromising** companies to call for former President Trump to disavow white supremacists following the killing of George Floyd in 2020 — and for the U.S. Congress to pass a bill to study reparations for slavery and to establish a national task force to increase police accountability, and the Department of Justice to reinvigorate its civil rights division.⁹ You may not decide to go as far as Ben & Jerry's, but if you don't start the conversation until a crisis event arises, you risk being unable to offer a timely, well-considered response.

Match your words with your actions. Nike, which put itself at the center of Black Lives Matter through a marketing campaign featuring the Black football player and activist Colin Kaepernick, came under fire in 2019 when records showed that less than 10% of its executives holding the title of vice president were Black. In fact, of the organizations that published statements on Black Lives Matter, fewer than 1 in 10 reported initiating substantial changes that might move the needle on racial equity internally.¹⁰

Too often, there is a disconnect between what the most senior leaders claim they want to see and the priorities dictated to middle managers and used to measure and evaluate them. In one case we observed, a CEO encouraged managers to take time out to join in climate strikes but didn't cut them any slack when it came to the short-term results he expected from them.

Moving beyond words means looking hard at structures and processes. It requires challenging promotions if they go to those who simply deliver the numbers regardless of whether they've walked the talk on organizational purpose. For example, we recently came across an Australian company that publicly supported employees undertaking community projects that served the organization's stated mission, but rewarded those who focused solely on the company's profit goals.

Supporting different voices needs to be designed into organizational structures. It doesn't just happen by accident — and unsupported voices of difference can burn out, as we came across in the exhaustion experienced by many employee activists we interviewed.

Cultivate a culture of line management listening. Our research on speaking truth to power found that it is the immediate line manager relationship that determines, to a large degree, whether employees feel listened to and cared about. The companywide actions that keep senior executives awake at night are important, but so are the small day-to-day ones.

This means training line managers to facilitate, mediate, and, above all, listen — and often to let go of the need to rush to action, which is frequently superficial. Although sometimes included in management training, this kind of personal listening is often thought to be a nice-to-have skill that is valued less than time management and giving (although not receiving) feedback.

This kind of listening will be new territory for most managers. A number of senior leaders have confided in us that they are so worried about being clumsy in their responses to employees that they've avoided engaging. "We don't suppress conversations — but we do avoid them," the chief human resources officer at a global retail organization told us recently. "We tiptoe round things, scared to say the wrong thing." However, if managers learn to practice active listening, they will discover that putting their focus on understanding the speaker, reflecting back what they are hearing, and expressing empathy can remove the pressure to respond with an opinion or advice.

Be prepared for fallout when you don't make everyone happy. Handling employee activism is a new challenge but a familiar kind of conundrum: how to engage with wicked problems, which can't be easily fixed and reflect underlying tensions that need to be held rather than simply solved. Issues may be rife with ambiguity, and the ultimate outcomes of actions taken may be uncertain. Inevitably, some people may feel that they have lost as much as others have won. Some will feel that the organization has not gone far enough, while others will be aghast at the action that has been taken.

As a leader, your job is to do the best you can to make sure that people feel heard and that they understand how and why a decision was made. There is also a paradox to be navigated: Although decisions must be made, employees must know that you are keeping an open mind. To do otherwise would be unwise. When the activist agenda

changes, so must the leadership agenda. Leaders must listen, act, and explain — and then be prepared to do that again and again.

Disregarding employee activists may be the equivalent of ignoring the canary in the coal mine: It could be a sign that managers can't hear things that don't fit with the established agenda. Hearing difference and being curious are vital to innovation and agility — and to hiring and retaining a new generation of talent that demands to be heard.

Engaging with workforce activism has implications for every level and type of organizational leader and manager. Serious and sustained engagement with this issue has to be based on a new set of assumptions about who has a voice in setting organizational priorities — and how truth is spoken to power.

About the Authors

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The Research

- The authors' research on employee activism builds on a seven-year project examining the experience of speaking truth to power.
- They conducted 62 semistructured interviews with employee activists and company leaders from multiple sectors around the world.
- Their work also draws from six cooperative inquiry groups and engagement with over 1,000 conference and workshop participants, as well as a wide-ranging literature review, all conducted in 2020.
- The authors fielded a global survey between November 2020 and June 2021 of over 1,500 cross-sector and cross-hierarchical employees from Europe, Asia, Australia, and North America. They also followed up with a further cooperative inquiry group of activists and conducted 40 additional interviews, along with multiple conferences and workshops.

The ACT IF Framework

The ACT IF framework identifies the factors that affect personal and organizational responses to employee activism.

Authority	The power I/we have in the system compared with other stakeholders and how power gets exercised. "Power over" means that authority is used to direct others. "Power with" means that it is used collaboratively.
Concern	Whether the specific issue matters to me/us/stakeholders (and whether I/we even know whether it matters). There will be more energy for some issues and less for others.
Theory of Change	Whether I/we see the organization as independent and separate from, or interdependent and an integral aspect of, wider society and the environment. This determines whether I/we think I/we can drive and control change unilaterally.
Identity	Whether I/we regard myself/ourselves as activist leaders — people who are willing to take a stand outside of traditional responsibilities. Whether I/we regard myself/ourselves as rule takers or rule makers.
Field	What has happened/is happening globally, locally, and organizationally that is influencing our agenda and license to operate. Whether an issue is prominent in the news and whether we expect to have to pay attention to activists in the future.

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