



The Third Side in Practice

The Power of Principles and a Reflex Hammer: *A Conversation with Jonathan Johnson*

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At Third Side Strategies, we focus on providing support to companies, boards, and investors in making the hard decisions about when and how their companies engage in the public sphere. As part of this work, we focus on how to ensure that the public affairs decision-making process is tied to a clear purpose and defined principles; includes a broad range of perspectives and roles; and strengthens rather than weakens relationships when difficult disagreements arise. See [Why CPR](#) for more on our approach and tools. **The best way to understand how to implement what we call corporate political responsibility governance is to see what it looks like in real life.** That is why we are so fortunate to have been able to sit down with Jonathan Johnson, former Chairman and CEO of Overstock, active board member, and former Utah gubernatorial candidate, to talk about his experiences putting the third side into action.

Jonathan Johnson is a former public company C-suite executive and current public and private company board member with 20+ years' experience in ecommerce, retail, consumer goods, and emerging technology having served as chairman, chief executive officer, president, chief financial officer, and general counsel at public companies. Known as a transformational business leader who creates a results-focused and positive team culture, and a creative problem-solver, comfortable making decisions of major consequence. He is known for patience, openness, and the ability to strategically balance risk and reward to deliver profitability. Jonathan has been a frequent speaker at national and regional board education conferences on a variety of topics, including: Activism & Dissenting Voices; Anticipating Strategic Disruption; 2025 Investment Dynamic; and Fostering Innovation. Jonathan was also a candidate for the Republican nomination in the 2016 Utah gubernatorial election.

KEY TAKEAWAYS

- **Context Matters:** "You can't say that we need to take a position on everything, or we need to take a position on everything about this topic, but not that topic. What employees and other stakeholders need from a company differs depending on the current situation, the time, and the place. So companies need a way of evaluating specific needs in real time."
- **Principles Anchor Thoughtful Decisions:** Defining and reinforcing a common set of principles to guide company leadership provides a framework to lean into when making the difficult decisions.



- **Listen to Understand:** Navigating tough conversations and decisions within a company requires “listening to understand” rather than “listening to respond,” and immediate no’s are often not the right response.

A Clear Purpose

Understanding and defining the “why” for whether and when your company engages in the public sphere is the first step to managing that engagement effectively.

Lauren: *At Third Side Strategies, we talk about governance practices that can support companies with principled decision-making for public affairs decisions. One of those is having a clear purpose for a company’s public affairs activities. In your experience, what are some of the most important baseline requirements for a company and its board to think about in order to make decisions that strengthen rather than weaken the organization during such challenging times?*

Jonathan: There are at least four baseline questions that anyone in leadership should answer before putting together a public response or a position:

First, what are our shareholder and other stakeholder expectations, and will our response or our statement meet those expectations?

Second, do we think this will increase customer or consumer loyalty?

Third, will it help attract and retain top talent because we all know you need the best people on your team to succeed, and what are the expectations of our employee base, current and future? I think those expectations shift over time. For example, expectations pre-COVID, during COVID, and today were and are different. There's some overlap in those three periods, but there's also some things that are very distinct. I think during COVID many CEOs, and I certainly felt this way some days, felt like instead of being the chief executive officer, we were the chief pastoral officer. There was more of a mindfulness and a mental health aspect, and an “everything will be okay” aspect that was different than before or today. So, thinking about this talent piece is a third question to ask.

And **fourth,** is how will we be engaged in this in a way that we improve the communities in which we live, work, and have customers? There's a community aspect that we need to think about, and sometimes that's because that's where our consumers are, or our employees or potential employees are. Companies also want to be good corporate citizens in the communities where they're active.

Lauren: *What you were saying about the role that companies play shifting over time, particularly as it relates to employees, is very interesting. COVID was a particular and different type of a time and so you could see that the relationship, or what the company had to be to an employee could be different, but it seems like what employees are looking for from their employers has shifted beyond just during COVID. Do you have thoughts on where it should land?*

Jonathan: That’s a really interesting question and I don't think there's an answer that doesn't sound trite. But I think it should land where it needs to land, given the time and the place. You can't say that we need to take a position on everything, or we need to take a position on everything about this topic, but not that topic. Just like raising kids, each of my kids I've had to raise a little



differently, depending on their age, their emotional state, their maturity or immaturity, and so I don't think that that question is easy to answer in the abstract. Sometimes it's not easy to answer in the current situation either, but I think it is best answered based on the current situation and circumstances rather than in the abstract.

Lauren: *That relates a bit to the next question, which is about this current moment that we are in, when boards and companies are under pressure from all sides – be it investors, the government, employees, or the community. Risk is an important framework guiding many corporate decisions (we have a [risk map](#) at TSS that connects risks from political instability to strategic, operating, financial and reputational risks), but one challenge that keeps coming up is the distinction between risk mitigation and risk avoidance. Can you talk about how you think of those two differently and how companies and boards should distinguish between the two?*

Jonathan: Those are two different things - sometimes there's overlap and sometimes it's inevitable that you need to take risk. I mean, that's what business is about.

Risk Avoidance: When I think of risk avoidance, that means not engaging in risky behavior. Period. Full stop. Sometimes that needs to be the standard. Early in my career, I was a general counsel and I would tell our legal team that there are certain things where you get to be what I call “Dr. No.” For example, we're going to avoid all risk that puts someone in jail. I don't want our CEO ever wearing an orange jumpsuit because that would mean we didn't do our jobs. That's risk avoidance.

Risk Mitigation: Risk mitigation is, what can we do to reduce the likelihood of the risk and to reduce the severity of the risk. Lawyers are generally risk-averse people. They are more likely to say no if there's any risk involved, and as General Counsel I told the team, that's not our job, unless it needs to be. Just to give a simple legal example: we could decide to never sign a non-disclosure agreement [because there is some risk to signing it], but the risk of breaching an NDA in most circumstances is not too severe. So, we mark the NDA up a little bit to mitigate some of the risk but then we sign it. We don't avoid all risk by just refusing to sign it, otherwise we're never going to create a partnership that will make us and them money, and will provide something good for our customers. So, I think that's the first test. Do we need to avoid risk?

And there's the issue of taking public stands -- an area where this question about risk frequently arises. As a CEO, when I'm getting counsel from a team, board, management, and others on what kind of stand we're going to take, I think of two frameworks, and then each of those two has two subsets.

Proactive or Reactive/ Direct or Indirect: Do we want to be proactive? If we're proactive, are we the ones being proactive or are we working through a trade association? Or do we want to be reactive? And if we need to react, do we do that ourselves or through someone else? In mitigating risk to the company, there are certain times where we want to be out front and proactive ourselves. Sometimes we need to be out front. But sometimes we want to do it back-channel through a trade association, or through working with legislators, but not making big public statements. Other times, you know, it might be best to wait and see and have a reactive take ready. An example of that was when the *Roe v. Wade* pre-decision by the US Supreme Court was leaked. We decided, as a team internally, we weren't going to proactively say anything yet because one, we didn't know if that was the final decision or not. And then two, when the decision came out, rather than take a stand that some of our employees and stakeholders would love, and some of them

would not love, we were going to wait and be more reactive. It turned out that no reactive statement was necessary.

The Principles

Having defined corporate principles and values ahead of the storm will help anchor the decision on whether or not to act in each specific situation.

Lauren: *You mentioned Charlie Kirk and George Floyd, and given your deep ties to Utah, living in the state, running for governor, and having spoken and taught at Utah Valley University, I did want to ask about the latest incidence of political violence in the U.S., the shooting of Charlie Kirk. In the days since the shooting, we have seen many companies and leaders struggle to determine what their role should be. Should they speak out? How can they help support employees? What is your advice to companies and their boards as they navigate this – what are the types of questions you think boards should be asking of their companies in these moments?*

Jonathan: I was not in the CEO chair during the Charlie Kirk assassination, but when I think about what I would have done had I been at Overstock, I would have looked to our [company] values in deciding what to do. We had three values, one of which was “be you.” We really wanted to celebrate our differences, respecting and welcoming our colleagues. Part of that was to encourage active discussion and facilitate dialogue. We had other leadership principles that we lived by all the time: “open and active discussion,” and “assuming good intent.” And the third leadership principle was “challenging ideas, not people.” All of these would have been values and principles that I would have leaned into around this [event]. And I would have looked to our Employee Resource Groups to see what they were feeling and needing and then try to address those needs. You know, if you've got a Christian Employee Resource Group, they may have been grieving one way, where if you've got a Pride Employee Resource Group, they might have been feeling attacked or grieving another way. I think everyone's looking at every incident a little differently, and you need to engage in open and active discussion. It's important to encourage speech in a very respectful way, assume good intent, and then facilitate dialogue.

Thinking back to post-George Floyd, in Utah at the time Juneteenth was not a state holiday. It is today but there were questions back then about what were we going to do as a company for Juneteenth. And as I thought about it, I thought, well, we could give the day off and people will go to the lake and do what they do on holidays. But maybe instead, we make it a day of learning and we say, “if you want to spend your day learning, here's a reading list, here's some movies, here's some things to study.” I called a black member of our board and I asked him what he'd recommend. And he said, “I love that day of learning idea. I'll even give you my list of movies, songs, books, poems.” We sent that list out [to the employees]. And I was just thrilled, a little surprised, but thrilled with the kind of response I got back. Someone wrote me an essay about what they learned about Juneteenth and I thought, wow, that was a good way to celebrate. I think there's a lot of different ways to react and trying to figure out who your community is, who your stakeholders are, and react in a way that's going to resonate with them and help them is important.

Lauren: *Thank you for sharing that example – it's extremely helpful. At Overstock you had a very clear set of values that you could turn to when facing decisions as a company. How did you embed these throughout the company and how often did you revisit those values?*



Jonathan: We had these leadership principles [that I mentioned earlier] including, “open and active discussion,” “assume good intent,” “challenge ideas, not people,” and “actively listen to understand.” I’ve seen that frequently people start listening and then switch to passively listening because they are actively thinking about their counterpunch or response. I’ve learned that if we pause and think about what we’re hearing, sometimes it’s easier to respond just because you have a richer understanding of what they’re saying. We really tried to follow these principles in business settings, but they really apply to social situations, too.

About every 18 to 24 months, we would review and modify these principles to better reflect who we were and who we wanted to become. We didn’t open a single executive meeting or company-wide stand-up or department meeting without asking somebody to highlight how someone else at the company was living our Overstock principles. Someone would say, “I saw Betty actively listen to understand in such and such a situation.” A lot of times the person being highlighted wouldn’t be in the room because she wasn’t part of the meeting. In those cases, I would make sure that her direct manager or I would reach out to her and say, “hey, we caught you doing good.” So frequently we catch people doing bad. When we catch people doing good and praise them for it, it reinforces that good behavior.

In the recruiting process, we gave our [values and principles] booklet to new employees. When they joined, we had a discussion and a video about it. Everyone could pick the principles-related swag they wanted, whether it was a hat with “Be You” or “Do Good” on the front or a t-shirt with “Challenge ideas, not people” written on it. Whenever I wore that particular t-shirt around town, I would have people outside the company say, “where do I get that t-shirt?” Society is thirsty for reconciliation despite what we see on the major news outlets or on Facebook or X.

Strategies to Finding the Third Side

It’s one thing to have a clear purpose and principles to guide your company’s public engagement, but there are often varying views of what it looks like to implement those in specific situations – having the right strategies to work through those different views leads to the strongest outcomes.

Lauren: *You have talked about constructive dialogue a number of times and navigating conversations where there are different views. In our work at Third Side Strategies, we often talk about finding a third side when there is disagreement and utilizing strategies like the “[Positive No](#)” to navigate differences. You have been in both the CEO role and the board role through some challenging dynamics – what are your go-to strategies for navigating those situations and coming out on the other side with relationships intact, and potentially even stronger?*

Jonathan: One of the things that I found about me, personally, is that I often have a knee-jerk reaction against new ideas. If something doesn’t make sense to me at the beginning I think, “oh, that’s a stupid idea.” And so I’ve kept on my desk at work, I would even sometimes bring it into our executive meetings, and I keep on my desk at home, a reflex hammer (the kind that a doctor would use to hit your knee to test your reflexes). And when I’m holding this reflex hammer, it reminds me not to have knee-jerk reactions against new ideas. So many times, my knee-jerk reaction, after I sleep on it, think about it, research it, is wrong. This simple tool helps me to not say “no” as quickly. It makes me listen more carefully – which I think is a really important thing when you’re having these disagreements and you want to keep relationships intact. It also makes me research more. Sometimes that means I go from a “no” to “yes,” or sometimes it means I go from a “no” to



suggesting something that's in between. I've just found that the best way for me to say "no" is not to say no immediately, not to have that knee-jerk reaction.

Something I learned when I was running for office, when people would ask me as question on a topic about something I hadn't ever thought about, for example "what's your position on industrial hemp?" was to respond, "well I don't have a position on industrial hemp." Then I would ask them, "what should I study? what should I learn?" I wanted to learn. My goal was never to be surprised by the same question twice. So I'd study the issue and be ready. Then three weeks later, when I was in another small town and someone asked me about my position on industrial hemp, I have a response because I had studied the issue. I would say, "this is what I've studied and here is my current thinking."

Sometimes I knew by the way someone was asking a question that they were not going to like my answer, but I would still show that I've studied [the issue] and explain how I got to my position. I would say, "I think I'm going to give you an answer you may not like but let me tell you how I got to my answer so you can see my thought process." Many times, people would say, "I disagree with your answer but I like your thought process. And I see how that applies to other things. I'm going to support you even though I don't like your answer on this question because I do like your thought process."

Lauren: *That makes so much sense. Some of the work and tools that we are trying to put together at Third Side Strategies are focused on this decision-making process, within companies, within boards, and the idea that if you have a clear decision-making process and you're transparent about it and can share it, sometimes you're going to reach decisions that more people like, sometimes you're not, but if you can at least point to the process that you used, and it's thoughtful and it's consistent, that will lead to a better result in terms of creating sustainable relationships.*

Jonathan: I'll give you a concrete example. When I was running for governor ten or nine years ago, one of the issues that came up frequently was amending the Constitution through an Article 5 Convention. If people asked, what do you think about an Article 5 Convention, then I knew they supported it, but if people said, what do you think about a ConCon, short for Constitutional Convention, then I knew they were against it. I knew by the way they asked the question. Of course, I wasn't going to change my position on it, but I could explain how I got to my answer, and that was a great way for people who, even if they didn't like my position, they could say "that guy's thinking about things the right way."

Lauren: *It seems like there's also a curiosity component to all of it, too, right? Curious to understand where people are coming from and learn new areas. Shifting gears a bit, we are seeing more and more feedback that behind closed doors, lots of CEOs are concerned about how the current climate is impacting their ability to do what they do and create long-term value for all of us. Whether it's the tariffs or just instability around rulemaking. And we're seeing a little more pushback, but not a ton. Why do you think this is, and does it go back to that risk avoidance versus risk mitigation question, or is it truly just a difference of opinion about what the role of business ought to be in these moments?*

Jonathan: I have two thoughts on this one. I'll use tariffs as an example. Sometimes it's hard to come up with a strategy when you don't know the underlying reasons for the action [that you are deciding whether/how to respond to]. And when I think about tariffs, and I've watched the tariff situation carefully, it's unclear to me what the Administration's goals of each tariff is. For some, I



think it's to raise revenue. Some, it's to bring jobs back to America. And for some, this is about the art of the deal. They're putting a negotiating anchor out there and they're going to negotiate from it. But I don't think it's clear on any specific tariff what is the Administration's goal. And because that's unclear, it's hard to have a communication strategy. For example, if you knew this was about America First and there's a tariff on a commodity that can't be grown in the U.S., then we could say, you can't grow that commodity in the U.S. So, if the goal is America First, then [one strategy might be to] say, well, gee, we're bringing that commodity into the U.S., and we do everything we can to make that commodity into a useable product here, other than grow the commodity. But if the goal is about revenue-raising, then it's a different argument as to why that tariffs should be lower, or whatever your response is going to be. So I think part of the reason that the response hasn't been maybe as loud as expected is because it's not always clear what the government's objective is. And not knowing the objective makes the response you might have unclear. So I think that's one reason for what appears like a muted response.

Second, I think a lot of times right now, there is a response, and it's a proactive response but it's one of these examples where it's coming through the trade association. You know, there's an old Japanese adage, "don't be the nail that sticks up because that's the one that gets pounded down." Well, maybe under this Administration, CEOs don't want their company to be the nail that sticks up. But they have a position and they're making it known via the trade association because when all the nails are acting together, they're all the same height and none gets pounded down. Some companies are being very proactive, but they're doing it this second way through groups rather than alone, which I think is a good way. It may not be satisfying to some that every banker isn't saying, "don't pick on the Fed," if that's what you want bankers to say. Well, banks have trade associations and some are saying just that. My guess is more [companies] are pushing for it through the trade association than we know.

Lauren: *What you said about it being hard to communicate and come up with a strategy when you're not clear what the reasons behind a position are makes a lot of sense but it does leave me with the question then of - so what do you do? How should companies deal with this strategy of chaos and instability?*

Jonathan: I think that's where trade associations, again, come in, because they can speak out without sticking out. I also think that words really matter. And that people are continuing to do the right thing in a lot of cases. You know for three or four years ESG was the hot buzzword and today it's not so much. That doesn't mean people aren't doing the right thing, trying to hire the best workforce, including a workforce with diversity of thought and experience and everything else. And so, I think that actions have been more consistent in a lot of cases, but how people are emphasizing them, the words they are using to describe them may change, but the actions feel the same.

Wrapping Up

Lauren: *Is there anything else that you wish I asked that I didn't, that you'd like to talk about?*

Jonathan: These are fantastic questions, and to me, they just show why Third Side Strategies is an important group and why we need more of it. I think Third Side Strategies fits the bill, whether you're left of center or right of center. And hopefully we're not talking about where the center is, but we're talking about what's the right way to communicate, to collaborate, to push things



forward, knowing that maybe all won't be completely happy with how things are going but they will feel we've engaged in a productive dialogue. That's why I think Third Side Strategies is a great thing. I think when people behave this way it engenders more free-flowing conversation. I have people on my team come to me and they say, "Jonathan, will you please pick up and hold your reflex hammer because your first reaction is going to be to say no to this, and I want you to just be thinking about that when I explain it." I think that reminder is great! I'm trying to do that all the time. It empowered them to say something I think they would have been uncomfortable saying, had they not known, because I had a physical object in my hand that indicated in a very physical way, "I'm willing to listen."

This conversation took place on September 26, 2025, and has been edited for length and clarity.

