

Corporate Political Responsibility Taskforce

Expert Dialogue with Cecily Joseph

Cecily Joseph - Module #2

Elizabeth Doty: Thank you for joining us. My name is Elizabeth Doty, and I'm the director of the Corporate Political Responsibility Task Force at the Erb Institute at University of Michigan, and I'm delighted to be moderating today's conversation with [08:14:00] Cecily Joseph. The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute.

A 25 year long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas. Teaching and Learning.

Business engagement with groups like the CPRT and scholarly and applied research. The CPRT's mission is to help companies better align their approach to political influence with their commitments to purpose and values, sustainability and stakeholders. As we're seeing, corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.

I'm really delighted to have Cecily as our thought starter today and with many credentials to her name, Cecily Joseph is a nonprofit and advisory board member, [08:15:00] a lawyer and a sustainability executive who has been recognized as a thought leader and an influencer around societal and environmental responsibility, ethics and diversity.

So a lot of, of intersecting. Expertise here that will be useful to the conversation as we're talking about addressing structural inequality and the need for thought leadership in the boardroom. She has over 30 years in corporate settings, building and managing programs and teams in ethics and compliance, strategic philanthropy, community relations, environmental sustainability, diversity and inclusion.

I'm gonna have to cut this short.

Cecily Joseph: That's good. That's okay. You can stop right now.

Elizabeth Doty: Well, I want a couple of things I want to get on the map, but there's when we first met chief diversity officer, vice president of corporate responsibility and global head of ethics and compliance at Symantec. She currently serves on the board of directors of mercy core.

And as you so. Which is a shareholder advocacy group holding companies [08:16:00] accountable for their commitments and as an adjunct faculty and advisor to the Presidio Graduate School, leading the initiative for equity and social justice there, and she's been recognized as a most influential person in business ethics by ethosphere.

And received the C. E. D. A. W. Award for human rights from the city of San Francisco Commission on the status of women. So I just I know where this is just going to be the start of a very valuable conversation.

Let's talk about inside the company because One of the primary barriers that keeps coming up is the challenge of aligning internally and aligning on strategy, aligning on understanding of context as well as recommendations or, or the company's positions on different issues. And I know you, you were in a really unique position, Cecily, with the ethics and compliance, corporate social responsibility and chief diversity officer at Symantec.

That you saw these different functions, but I also [08:17:00] know you had peers in government affairs. You had peers in the business peers in the people functions. So maybe you can talk about where the disconnects are and your theories about why they. It's such a persistent challenge.

Cecily Joseph: Right? So I, and I'm not I'm not recommending that anyone you know, aspire to a job where they have all those three roles.

It just sort of happened and it happened at different times. So there were times when I was only overseeing corporate responsibility. There's times when I do corporate responsibility and diversity or corporate responsibility and ethics and compliance. Just to give you and I, I sat in the legal department, so I'm going to.

Corporate attorney by first 10 years of my career as a corporate attorney. And so traditionally I tended to sit in the legal department. I think it doesn't matter where you sit in this function. I think what, what matters is that there, as you said, there's alignment. and that you're senior enough in the company that you have access to the board, obviously the CEO and C suite, and that you can influence [08:18:00] from, from that level.

It's not a surprise to anybody who, who's in a company or probably most organizations that we, we are much more siloed than anyone on the outside probably would ever realize, right? And so that's the issue. The issue is that We're all siloed. We're all, you know, you think about some of these functions, government affairs, you know, the CSR, corporate responsibility function, DEI folks, even ethics and clients, which I think is interrelated.

You know, you talk about finance, you talk about supply chain, you talk about all these different functions, you know, the people that do environmental health and safety. Sometimes, you know, we're sitting completely different functions. So we speak a different language. We have different educational backgrounds, we have different goals that we're accountable for, and we have different shareholders that we're accountable to in the company and outside of the company.

So if you think about government affairs, I mean I'm just generalizing but you know government affairs [08:19:00] has very close relationship, also with sales. And because of when large customers for companies is often, you know, the government so there's there's a huge connection there. State and local federal government and the legislative and purchasing arms of those entities as well so that that's connected corporate responsibility tends to look at investors more so now than ever before, which is great.

But employees communities tends to be focused on that. Diversity historically has been very internally focused. On employees sat inside of HR and that it's been focused on employees and it hasn't had relationships with government affairs and thinking externally on how it can influence or should influence public policy.

I think a cross functional committee is a good place to start for for organizations. I think it's really important that it's not just a, a [08:20:00] reporting, you know, a lot of times we bring cross functional teams together for like ESG reports, etc but I think it's really important for

strategy, and that, and that their senior level people sitting on those, including a board member, or, you know, and that those organ, those groups are in contact and in touch with the board I think today we're seeing that board of directors.

have much more responsibility around ESG and are expected to speak to ESG and set ESG strategy. Whereas in, you know, like five years ago, that wasn't even, you know, if you got the board's attention in most companies to have, you know, longer, long term conversation around these issues, you were really lucky.

So I think, I think it's changed and there's a responsibility now that, that they have. So I think the issue is definitely around. silos. And I think the solution really is around aligned goal setting aligned responsibilities and stakeholders and everybody, [08:21:00] people understanding what the others goals and, and, and responsibilities are.

You know, if I understand what government affairs is trying to accomplish, then I can help government affairs accomplish that in my role as well. And government affairs would be more they'll be more likely to bring me in the conversation. And they'll see also the value that I'm bringing, you know, maybe now in my diversity role, I'd be a great person to, to take on the hill and to, you know, speak to some of their constituents and folks that they're trying to influence, right.

Because I'm bringing a perspective that's different than what they normally talk about, but something that's really relevant. To the policy makers, right?

Elizabeth Doty: So relevant. Incredible. Yeah, that's really interesting. And as we practice with that, and I've noticed this on the job and also now in the task force, one of the inevitable things that comes out of that is weighing really complex decisions together.

Right? So, for example, right now, the build back better plan. [08:22:00] And you may have government affairs and finance talking about tax provisions or how to pay for it. And others saying this is our one, you know, one chance to get climate policy or family leave.

Cecily Joseph: Or sometimes, Elizabeth, they're in complete, they're completely opposed to each other.

You know, when Trump's tax credit plan. Probably for companies, that's a good thing, right? It's probably a good thing for companies and rich people who often lead companies, right? They have lots of money. But it's not a good thing for the racial wealth gap because it actually makes the racial wealth gap wider because the tax credit really doesn't have much impact on, you know, poor communities and communities of color.

My role, maybe being the corporate responsibility person, Or the DEI person will, you know, might be very different than how government affairs is seeing their charter of doing this. So that's why I think it is [08:23:00] important to have some alignment and conversations. And, you know, the other issue we also see is, you know, I'm out there talking.

And again, this is not as much internal, but it starts internally. I'm out there talking. And saying what I think is important from a corporate responsibility perspective and representing the company. Meanwhile, government affairs is doing something completely different, which is completely in a, you know, posed or, you know, complete opposite of what I'm out there saying and it, it just makes company look bad and disingenuous.

Yeah. Yeah.

Elizabeth Doty: And it's we're hearing all kinds of terms for that now around ESG. And I think in the work on trust, people don't know your motivations. So contradictions are one way they test, you know, if you if you're consistent or not. I think what you're pointing to for me suggests that there's a, a need to raise the unintended consequences.

I don't think a government affairs person would say I'm against addressing the root causes of racial inequity. Right. It's contagious to have lower tax rates [08:24:00] and the same thing with which candidates that if companies do make political contributions, that there are some unintended consequences for other issues than the one in related to our industry.

And I'm wondering how, how are you seeing what, what do you see as promising in terms of leaders thinking about those unintended consequences? Maybe more intentionally.

Cecily Joseph: Well, I do think that because stakeholder voices have gotten so loud. I do think that companies are much more sensitive on their actions and how they're being perceived.

So I think that's sort of, in some ways, it's, it's a good thing, but in, in other ways, it's a bad thing because then companies may be less Maybe, maybe more scared to act because they don't want to be judged. So going back to some of the things that we heard from from folks here on the call. That's why I think some of the consortiums are collective, you know, being part of a collective group, doing things might make companies feel more brave and stepping out.[08:25:00]

Elizabeth Doty: Gotcha, I think Alexandra, you mentioned companies getting recognition when they do make a change, but that's often a weak link. Whereas with a coalition, you have less worry about being a 1st mover disadvantaged. Let me turn it now to the group for any additional comments on this perennial issue of, silos and taking a more systemic view of how you're affecting these, these factors, the root causes, the long term, short term. I just had a question about, you're talking about kind of how companies care about how they're perceived. And I know that this has been like really on the rise, especially with like cancel culture, kind of.

So like, have you seen this getting worse because of COVID and just like the rise of cancel culture or like, I guess, like what's your take on it?

Cecily Joseph: My belief and my take on it is that if companies stand up for the for the right thing, and they're brave, rather than kind of hiding in the shadows or allowing issues to fester that they're usually in the [08:26:00] long term rewarded for that.

But in the moment, I think companies are finding it very difficult. The decision makers inside companies aren't always aligned on that. And I think they're finding it very difficult to speak out. But I, but I, yeah, I think that companies that have a process that I think proactively look at how they're going to address issues rather than in the moment.

I've been part of that when, you know, crisis happens and you're in the moment trying to get everybody aligned on how to address it. That can be, that can kind of lead you down a scary path sometimes where you, in the end, do nothing. And, you know, I don't think that's the right, that's the right approach, especially with systemic issues.

I wanted to add one more thing, Elizabeth, which is what something I'm seeing from the As You Sow perspective. So, you know, As You Sow files, you know, these. Shareholder resolutions, encouraging companies to take action on [08:27:00] climate change for diversity. You know, product, how they make their products, you know, variety of things.

And I'm new to the board, so I haven't been on the board for many years at all, but I've always admired as you. So one of the things that I, that I'm hearing and then I'm observing is that what I was really trying to do is really bring people to the table to have a discussion. Right. So if, if it never goes to vote because the company before that sat down and said, okay, you know, I think these are things we should be doing.

We're going to do that. I think that's the best scenario. And that's the best case for everybody. And what I'm seeing happen is that more of those conversations are taking place and more internal stakeholders from different parts of the company are participating. So, you know, maybe five years ago. You would have been talking to the sustainability or social responsibility person, but now I think [08:28:00] you're talking to a group of people you're talking to the CFO, you might be talking addition to a board member.

Yes, the sustainability persons there but often now their roles have been elevated inside the company. So I think that's a, that's a good sign to as far as, you know, kind of breaking down the silos because. Yeah. In order for those conversations to happen, I can tell you there are many pre conversations that are going on inside the company where people are really coming together and figuring out what they're going to do to make, and educating themselves, right?

So I understand your perspective. I understand the issue area. I understand why it matters to the company so that I can figure out in my space how to address it and we can collectively come together internally and make some change. So that's really, that's really positive. Yeah, it's very

Elizabeth Doty: interesting. In fact to the earlier point we had around continuing to iterate and not getting traction and having to revisit things and Libba's comment about the games that, [08:29:00] you know, required to gain status in a company.

It sounds like these external voices can be part of continuity. Part of keeping the attention and the focus on the strategic and root cause issues, and that the internal conversations that are prompted by the need to respond can be really valuable. incredible if those could be more proactive internally driven.

I imagine the internal champions are very artful about foreseeing that and preparing for it. I know even of some that actually work with the external voices, not.

Cecily Joseph: Oh yeah. Yeah. I mean, look, I used to, I mean, I, I'll just share. I, I used to dream when I worked at semantic that, you know, like on an analyst call, you know, someone would say, what about your, you know, Environmental program, tell us about it.

Or, you know, an activist would, would, you know, come to the company trying to encourage us to make some changes around some of these social environmental issue areas. So I do think we often [08:30:00] welcome it. It's really bringing the others to the table. So even when, when this issue kind of quiets because we've now reached some resolution that you actually continue to make progress.

You know, if my risk folks are thinking about this as a real risk now to the company and the board is looking at this in their audit and risk, you know, meetings. And if my CFO is thinking about this and if it's become a goal, you know, company wide goal that we're all You know, in different parts of the company aspiring to that's that's the best solution right because then we're really going to make some progress not again back to what we originally said not just being siloed.

Elizabeth Doty: Right, I got you and basically embedding it in the structures back to the original conversation about structural you're embedding in the structures that makes things have continuity within companies. Can I turn it to you. The last comment on this cross functional silo dilemma.

Cecily Joseph: Thanks. This goes, this question goes beyond that, but it goes to this internal discussion that that you're, you're [08:31:00] mentioning, and we've been plugging ourselves into some of these internal discussions with business leaders and about the role of business and society about taking on some of these really intractable systemic issues, and the responses seem to be falling into two camps. There is the Paul Pullman's activist CEO who's all in for using leveraging the power of business for social environmental diversity impact. And we're also hearing internal discussions from others. Equally thoughtful and equally committed questioning.

Who am I to to take a position on these? I'm a manager, and particularly they're asking if I'm not an elected official. What is my charter to take on these really big social issues? And so I'm curious, how do you feel about that dilemma and this tension internally within the company between an elected role or not, and a manager and a business [08:32:00] leader for impact?

Yeah, well, I mean, I think it goes to the heart of corporate responsibility, which is that our stakeholders, our employees, our customers, our investors are expecting us to take action on these issues. They're expecting us to have opinions. They're expecting us to have an impact. I think for organizations that choose not to and that choose to ignore that.

That says a lot about what they what they really think, right? Because we take action on many things as companies, we make lots of decisions. But I think If, if we, if, if we, if our shareholders and our customers, employees today are very loud on these issue areas, you know, the investor voice has grown so much louder than I've ever heard before.

And customers have for a long time been demanding that companies that companies use their voice to make change. And so I [08:33:00] think that if, if we as, as managers and leaders inside companies ignore that, then we're not serving our stakeholders. I don't think that's what we're, we're in business to do, which is ignore our customers, employees and shareholders.

So I don't think we're actually doing our jobs.

Elizabeth Doty: To follow up, if you are interested in talking with us or you know of a company that might be interested in joining the conversations, we're working on workflows and principles and practices for corporate political responsibility. Please email us where our addresses are all at the bottom of the screen there.

You can visit the website and sign up for notices about these dialogues. January 27th, we have Bennett Freeman with BSR and wrote a really seminal paper on. Corporate responsibility for protecting civic space under pressure and has often been applied to other countries, but it now seems really relevant in the US.

So he'll be speaking to us about that as well as how it's applying in China. Right now. We have a resource list that [08:34:00] continually grows. Several research assistants calling resources by topic on CPR. I think it's been used already in one doctoral thesis, and yet they're all practitioner oriented.

C

P

R

T

Follow us on the Erb Institute on Twitter. To follow up with Cecily, people can go to your LinkedIn. Profile to get the overview. You have so many roles in advisory functions and connections to important organizations. The Herndon Institute, as you so Mercy Corps Presidio, hopefully now Herb, Cecily.

I so appreciate the thoughtfulness and the quiet passion that you brought to the importance of looking at the root causes and putting that fourth lever on the map. I think is. Just really critical. It's obvious when you talk about the five, six areas you, you raised that it has to be included. And if I could turn it back to you, Cecily, you know, one takeaway that you'd like people in decision making roles.

Thinking of them as champions for the structural level of racial equity. What would you encourage people to do as an action to make it real?

Cecily Joseph: I think right now is a great opportunity to make sure that you're more engaged with your board. I think board members are being asked about this and expected this is a, if you look at board education and, you know, all the literature that board members are receiving ESG is highlighted it's so relevant diversity and racial equity are obviously part of that.

And I think that if you want to move the needle on these issues and you haven't. Or it's time to revisit your relationship with your board of directors. I would encourage you very much to do that. They need you now. And now's the time to really reach out and engage them.

Elizabeth Doty: Thank you so much. I think that's a wrap.