

Corporate Political Responsibility Taskforce

Expert Dialogue with Cecily Joseph

Cecily Joseph - Module #3

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 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 [08:37:00] 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, 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: [08:38:00] 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 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.

Why don't we go now to this tactical question about. What works in terms of bringing these big issues to the C suite and board [08:39:00] level? You talked about having a process in place. I know that and you did mention the CSR officers or CSOs are getting more, are getting elevated and recognized importance central to the business.

But it's not across the board. There are many where there are several levels. And it's a, it's a tall order to make a compelling case. So I'd like to know kind of what are you finding works?

Cecily Joseph: What I found work for us was to on the front end, have a proactive approach to decision making that was signed off by the board of directors before the issue ever comes up.

So I'm going to walk you through the decision tool. That I used and that we use and it's really about when should you take a public policy position on a key ESG issue. Some of the questions to ask ourselves are, does this issue affect the company directly and or threaten the brand? So is that a yes or a no?

Is the issue material to the company or its customers, investors, or employee base? [08:40:00] Does the company understand its stakeholder views on the issue and the positions they might expect the company to take? That's a really important one. It goes back to the question, I think, that Terry just had. A lot of times we're just like, well, I don't feel comfortable with that.

You know, my, I know people that wouldn't want us to do that, but we have some employees, you know, but what about all of our stakeholders? You know, do we know enough about what our stakeholders really think? Is there internal alignment around the company's official issue stance? You know, a lot of times, you know, we see this now, companies are really divided just like our country.

So, how do, you know, are we aligned as a company? Are executives and other public facing employees able to consistently articulate that official stance as distinct from their personal views? And that's really important also, right? When you, sometimes you may have a CEO who, who is very vocal on issues.

But are they their personal views or are they the views that represent the company and that's really important. Does the risk in losing support from one stakeholder group, for [08:41:00] example, customers, substantially outweigh the risk and losing support of another. So it can be, you know, one type of customers opposed to another group of employees, etc.

Do the majority of the company's key stakeholders espouse views on the issue similar to those held by the company. And has the company established alliances with pure organizations willing to take issue positions as a coalition. And again, that's an important one because most companies don't have the cloud, they're not, you know, unless you're like an IBM.

Or an Intel, you know, as somebody was for, you know, these mid cap and smaller companies, you know, don't have even if they were brave enough to stand on their own their voice is not loud enough. So sometimes being part of a coalition of companies makes a difference. If you see mostly yeses to this, then we kind of know it's right to take a public position.

But if we say we see mostly noes I wouldn't [08:42:00] say we stopped there. I'd say that maybe we need to look at it closer. We need to, we need to figure it out because companies I

think tend to err on the side of, well, that's not really our issue area, you know, so let's, let's not go there. But I think if you look a little deeper and you go through that.

Remember we looking at the framework and if you look at well we care about diversity because and we're building a diverse culture this way. And this is how we're investing in our communities. Well, how can you not then be willing to take a public make a public statement about it, if it matters. Right.

And if, if you've made public statements that you care and it's important, why wouldn't you do the final piece as well. But I think having this framework is, is a good one because it means that You are, you are at least going to go through a process that we've all agreed on and evaluating the issue and when to speak up on it.

Elizabeth Doty: That's very interesting. And I can imagine, can you say something about the process of agreeing to [08:43:00] that? How did people respond to the idea that you'd need this decision tool in advance?

Cecily Joseph: So this, this process was one that was agreed to by the board. And then it was rolled out to the senior leadership team, and I think it was very welcome.

As I said, I think it's a lot easier to have a conversation like this when you're not in the middle of a crisis and trying to make a decision. So when you're not in one this is, you know, this is the same way you'd have a matrix for, you know, another Place that I remember we had a matrix or decision making tool for was around when to invest in disaster, our disaster relief funds.

So, you know, as you can imagine the terrible things happening around the world climate change is only, you know, made it worse and when do you as a company, take your, your resources and invest those. Is it, you know, so we have similar tool do we have employees that are impacted, you know, sometimes. The answer is no to everything, but we still agree that it's the right thing to do.

Right? I mean, think about George Floyd and [08:44:00] Black Lives Matter. At first pass, you know, you might say, well, what's that got to do with me as a company, right? It doesn't affect my company directly or threaten my brand. It's not material to my customers. You know, I mean, if you went through this, there'd be probably a lot of no's.

But when you step back, you realize that, wait a minute, this is where we need to step in and we need to use our voice and we need to speak up and so many companies did. And so it just shows that this tool is just a starting place to kind of acknowledge that we should be looking at issues, thinking about them, right?

It's not always the answer. It is our role to think about public policy and how to step out and make a statement or be visible or push for things. That's what I think this gives you the permission to do.

Elizabeth Doty: Yeah, I mean, it is implicit in having the process that that you will that is in your repertoire. And I find it's very interesting that it doesn't have to be all.

Yeah, it's not mechanical, but it does bring you through a thought process. [08:45:00] I have a question on the other side. Have you ever come across a workflow where you think about how are we already contributing to these issues? We've had Bruce Freed speak to us and he talks about state level campaign contributions, right?

And companies often don't realize that they are part of their funds are going to contribute to state legislatures that they then come and maybe oppose some of what they're doing. The companies have an obligation to scan for what they're already doing. That may be misaligned, even though it doesn't blow up as an issue where the trigger doesn't isn't because of an outside stakeholder group.

How do you think about that?

Cecily Joseph: Well, yeah, I mean, I do think that companies have an obligation to do that, but sometimes companies aren't going to look at things if they don't blow up. So, but I do think they have an obligation to do that. I think they have an obligation to because otherwise I think companies justify or sweep things under, you know, under the rug.

It's difficult, though, you know, you [08:46:00] may. You may be supporting certain initiatives, even advance some ESG things right and you may be, it may not be visible to you or it may be blinded to the fact that it's also hindering other things as well. So sometimes, you know, things have to be brought to your attention or kind of blow up a little to get the attention of folks.

Elizabeth Doty: Very interesting. Great. Thank you. I think that is a challenge. I remember one PAC officer saying to me, who am I to decide in our allocation of contributions to weigh LGBTQ issues versus racial equity versus corporate tax rate versus industry favorable, like, That's a pretty heavy responsibility. Okay, so now let me turn this one to the group and other thoughts on this this whole idea of a workflow and, and the content of the thought process.

How is this striking you? What do you think about the philosophies? Kind of this approach of looking at root causes and the, the, the fourth lever of public [08:47:00] company voice in addressing structural issues around racial inequity. What are your thoughts so far? Go on. I see you speaking there. Yes.

Cecily Joseph: Thank you so much.

This dialogue has been very insightful. Something that's really resonating with me is this idea of amplifying voice and I think something that's normally left out of the conversation and thinking about enterprise and companies. It's the community. And how are we amplifying their voice? How are we amplifying the voices of stakeholders within the boardroom and outside the boardroom and in particular through action?

So that's something that's really been resonating with me and I think looking, looking more forward thinking how do we further implement that? How do we empower that and not forget that even though Okay. Even though in the boardroom, it could be so outside of the realm, what we're thinking of, how do we include the community, the direct community that the company might be situated in, but also through the supply chain, our communities abroad.

So I think that's a large question of racial equity and equity in general. So very well, I think that's a [08:48:00] really good point. And I do think that's one of the values that that a comprehensive ESG program brings, because part of that should be ongoing stakeholder engagement and being able to bring those, those, those voices forward, right, to the board and to management to share on an ongoing basis, what stakeholders are saying and thinking and then reacting to that. So I do think that when you say amplifying those voices so that internally you, you understand that it can help direct your strategy, I think is really important.

I also think though that companies can help to amplify movements and voices outside of the company as well. And we saw that with Black Lives Matter. And I think a lot of companies, some of them more quietly or through intermediaries sponsored that type of that, that voice. But I, but I think it was very powerful.

Elizabeth Doty: Thank you. Turning it to you, Terry.

Cecily Joseph: Another [08:49:00] comment that has come up as we talk with business leaders about this, and especially as this conversation is framed around the boardroom discussion. Another dichotomy that's coming up this just for so many years we've depended on the business case for social and environmental progress.

And we've got a lot, we've got a lot done over the last 25 years. And we're seeing that we're starting to hit the ceiling of that. And is it, is it important but insufficient. And so what we're also hearing a lot more about is the values case, and is there a values case for. To take social environmental impact further, and I used to work as a sustainability consultant when we would work with senior leadership or boards, never in a million years would we sit down and say, Oh, this is important because it's the right thing.

Do the right thing. It just in one year out the other wasn't, we would always go in with those objectives but first the business case, and how this will [08:50:00] benefit strategy and operations. Is this changing and is there a values case that we can articulate in a way that will have impact with boards? and motivate action on these deeper, more systemic issues.

So I can only speak from my own experience, which is I do think there's a values case. And I think depending on the leader, it can be very profound. So Elizabeth and I both worked with a CEO who I think was very values based and drove the company that way. The problem is that leadership often changes.

And when leadership changes the values case or, you know, we were doing this because, you know, the, again, let's make it simple. It's the right thing to do. Let's say that's our value. You know, that may not be the way the new CEO sees it, but I think if there's an embedded business case. That's that's a lot easier to to keep going.

So I think you need both but but I really do think that the business [08:51:00] case needs to be articulated and laid out and I don't agree that we've reached the ceiling on the business case for racial equity. So I think that there's so much work still to be done we haven't even, snail's pace. And so given that's the topic at hand, I, I think that there's so much work that companies can and should be doing, and there's so much low hanging fruit that we haven't even gone after yet that I, that I think there's still a lot that can be done, you know, if companies are really aspiring to do it.

But I, you know, your struggle, I don't envy you kind of the conversations you're having, because, you know, it just reminds me of the many conversations that I had, which is, you know, business leaders saying they want to do it, but then not really moving forward, and kind of, but Okay, well, we'll do that next year.

Remind me why we're doing it again, you know, so it's you know, and then it's, you know, [08:52:00] Elizabeth and I were talking about how, you know, you create a whole strategy and process around some of this. You know, especially I found it really challenging and work around diversity. And, and then, you know, the next year you just kind of feel yourself starting all over again, but you don't actually make any progress in really having any impact and anything really changing.

So I think we've got to move beyond like talking about the business case and talking even about our values. Why don't we just move to like, let's just get some things done. Let's, let's, let's set. Out. Our goal is to really accomplish something this year, and why don't we make some goals and let's get this stuff done.

And management needs to push for that and it costs money. That's where you mentioned low hanging fruit, so I agree. There's still a lot of low hanging fruit. However, we are starting to get to the point where we can't reach the, the next round of fruits without. Cost to company operations. So, for example, in climate or a circular economy to get plastics out of the economy, it's going to start impacting profits.

[08:53:00] And we keep asking ourselves. Well, so then suddenly companies become quieter, more cautious and less ambitious. And so then how do you go to that next level of real systemic change where at the business level, the enterprise level, there may not be a business case, But that company has to make changes to support a transformation at the market.

You know, I mean, I, I would say that there are some companies that are probably changing the way that they deliver their products, you know, less plastics and maybe pointing to potential competitors and what's what's coming around. Many companies would have told you. You know, 20 years ago. Oh, you know, we're not investing in an electric cars, blah, blah, blah.

That's not the way we're going. I've had, I've had colleagues who've worked for oil and gas, say oil and gas is going to be around forever. We're always going to need gasoline. I mean, that's just a given, right? I mean, I think it's the ability, your ability to kind of help them peek around the corner. And say it's inevitable that we're [08:54:00] going there and the leaders are going to get there first.

I mean, isn't that what technology and R& D investments all about? It's investing in things because you know in the long term, it's going to, it's going to be profitable. So I would never say that companies are not in the business to make money. Right? Companies are in the business to make money. But it's like, how are you making your money?

Are you making it in an ethical way? Because if you don't, your business is going to blow up. Right? I mean, Enron, are you making it in a sustainable way? Right? Do you want to be here for the long term? Or are you going to just like die like a dinosaur and you're not going to, you're not going to, you're not going to be able to compete, you know, for talent and on your products, et cetera.

And, and, you know, and I think the same is true for racial equity. I do think, yeah, it takes some, it takes discomfort. It takes financial investment, but I think in the long run the company will be better, but I think that's our job. Hey, that's why it's so hard. It's like the hardest job. My job is to get business leaders to [08:55:00] see that.

And to be willing to check. And maybe you could go back historically and give some examples of when people didn't listen and the ones that were some of the early adopters and how they, they won because of, of the change that they were willing to foresee.

Elizabeth Doty: Thank you, Terry. Thank you for the question.

Beautiful Cecily, and I think, and I'm going to go to Alexandra and Jackie in just a second, but I want to highlight one thing that's really jumping out to me. Cecily is this is exactly like the innovators dilemma where you have an S curve and you're going to need to jump to another

technology curve. And that involves foregoing Investments in the current curve to invest in a new technology. It looks like going backwards and it requires leadership to have the foresight to say, if we keep going, we're going to be obsolete. And that's true even around company growth and financial performance. It strikes me as a very similar communications challenge to bring to, to bring to life the need to get to that [08:56:00] other S curve rather than.

Being in philanthropy, right? Which a lot of businesses think is what we're talking about.

Cecily Joseph: Yeah. Well, and also, I think for many of us who were on this call and for folks like Terry, you know, we kind of feel like we've been at this such a long time and it's, it's like, it's not working because we've been talking about this forever and it's, we're not making as much progress.

But the reality is, I think is that so many companies are now hearing it for the first time and they're listening. So, it really is the opportunity. I think now to, to, to move forward. Whereas maybe 10 years ago, we weren't, we wouldn't have made as much progress as we could potentially make right now.

Elizabeth Doty: Thank you. Let me shift it over to Jackie and then we'll close.

Audience question: Thank you. I just want to thank you both for such a riveting conversation.

It's been kind of validating and some of the [08:59:00] work that I'm doing now and I actually used to head up CSR at a tech company here in Austin. And, and seeing kind of the push from over the years from both employees and investors really just. try to push the middle to really make some action and follow through and measure results.

I'm curious just on the racial justice front, we've seen all these reports of How many companies pledged money and action after the George Floyd more murder and black lives matter. And then how much of that has actually been paid out. Curious what you think, you know, will either force companies to follow through with their pledges or if, if we think, you know, it.

You see these kind of PR things that happen that are reactive after major events. And if you think the follow through will get better over time, even if not specifically with the racial justice issues, but we just keep seeing all the talk about it and not necessarily the follow through reaction.

Cecily Joseph: Yeah. I, I think yeah, also specifically with racial justice, a couple of things were [09:00:00] different. You know, I think the CEO's coming out and actually making so many of these statements is really. Profound, but I, but I think that we need to hold the companies accountable. I again, encourage you to look at the, As You Sow scorecard.

Because even the companies that like the number one company, I can't, I think it might've been Microsoft. I don't remember who it was. I don't want to speak out of turn, but even then their score is so low, right? So, so it's not like anybody's doing well. Right. And look at just capital as well. There do, they do some racial equity scoring as well.

You know, I, I think it's, it's up to us. You know, as investors and, and just community members, part of civil society to hope, hold these companies accountable for their statements that they made. Employees, I think, want to see change, but it's exhausting, you know, to constantly be trying to push this uphill.

So I think the more of us from outside, when we're not inside anymore, they can help push. And that's why, you know, I did want to be a part of As You Sow. Be a part of that organization because I think, you know, organizations like that really have a strong [09:01:00] voice and can really push some of these issues and, and let, and keep companies from forgetting because again, you have management changes, you have the new issue of the day.

You forget, you, no one's harping on it, so you kind of like let it slide under the rug and then, you know, we, we can't let him off the hook. Gotta hold him accountable. Thank you very much. That's a great place to to end it. I was actually speaking with one of the members of the call this morning talking with his investment advisor and saying, am I the first person to ask you about this portfolio and, you know, does it comply or how is it responding to as you so scorecard, right?

Elizabeth Doty: We can all do that. And it ripples. If you ask the question and Don, you were telling me, I think you said you were the first person on many issues over the past 10 years, but for that broker, Yeah. Yeah. That's now on their radar. The other thing that I think could be a really powerful addition of the research I did on institutional integrity was around corporate promises and one of the most powerful [09:02:00] things we can all do as leaders when you come into a new role is just ask what have we promised.

We don't tend to do that when we start a new role to say what promises am I inheriting and it's a great way to avoid missteps, but it also helps keep the company accountable and it's not a natural act. Yeah. Open to think about their, to follow up if you are interested. If you're 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 27 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 [09:03:00] that as well as how it's applying in China. Right now. We have a resource list that 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.

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 4th 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, that structural level of racial [09:04:00] equity.

What would you encourage people to do as an action to make it real?

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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: Wonderful. Thank you so much. I think that's a [09:05:00] wrap.