The Intersection of
Business and Politics

# THE CRITICAL

# INTRODUCING "THE TALKING TRAP"

In a highly complex civic, socio-economic and communications environment, there is enormous pressure on organizations to respond to everything that is happening.

The net result is ever-more engagement from companies, but based on new research from Brunswick that surveyed corporate executives and 2020 voters, the efforts are all-too-often **disbelieved as authentic** — by people across every part of the political and socio-economic spectrum.
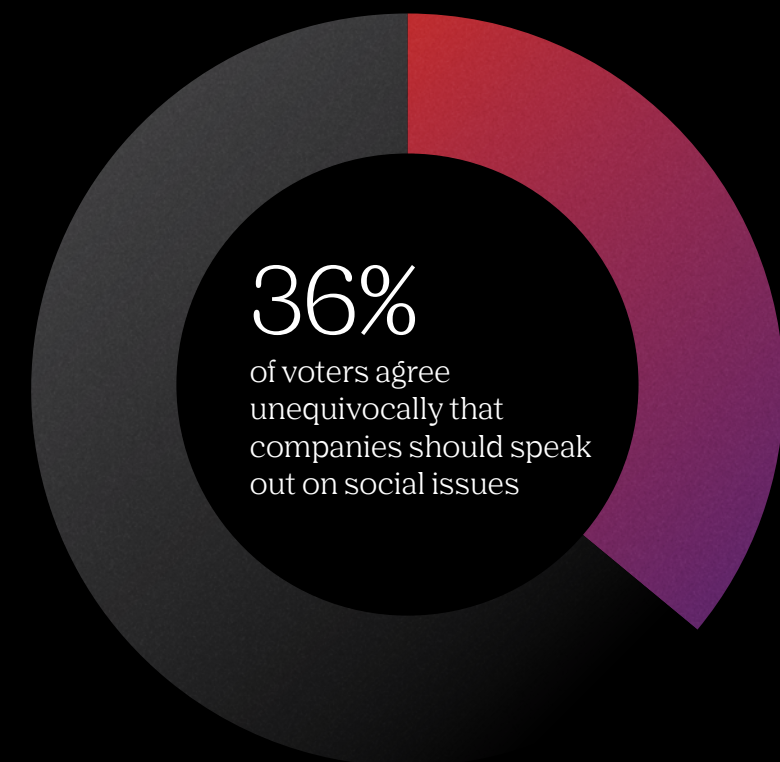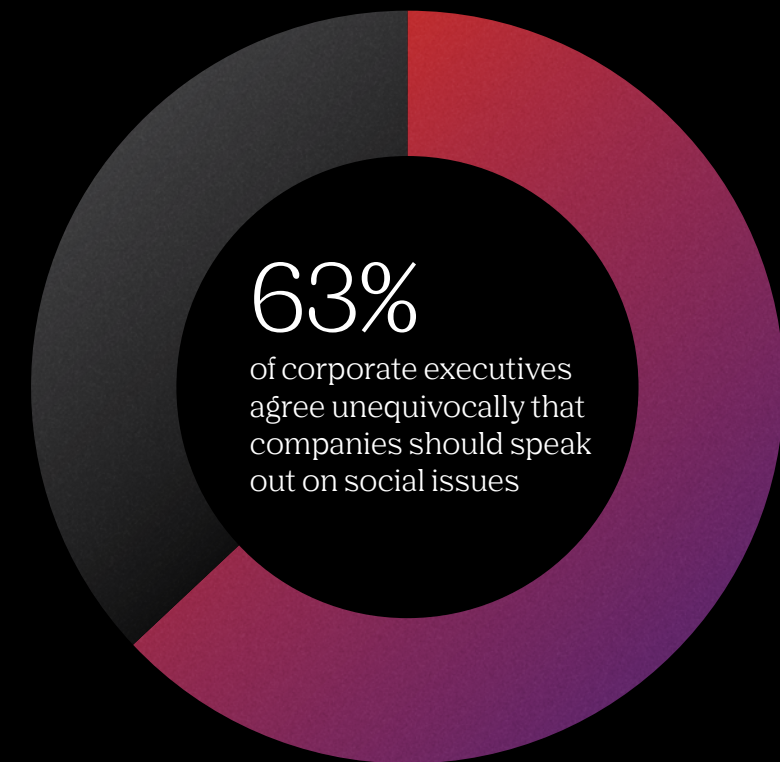
We have identified this as "The Talking Trap," and it requires ethical and commercial alignment and an acknowledgement that increasing civic complexity requires a more strategically thoughtful framework for engagement across your widest range of stakeholders.

# KEY FINDINGS

**Corporate executives are *2-to-1 "out of step" with broader public sentiment* related to engagement on social issues.**

**AMONG OUR KEY FINDINGS:**

**1** Corporate executives are 2-to-1 "out of step" with broader public sentiment related to engagement on social issues.

• Only a minority of voters (36%) agree unequivocally that companies should speak out on social issues, compared to 63% of corporate executives.

**2** Corporate executives have a highly inflated sense of how effective corporate communication has been on social issues compared to voters.

• While nearly 3-in-4 corporate executives (74%) think that communication on this topic has been effective, only 39% of voters can say the same.

• This shows how corporate executives vastly overestimate the effectiveness of companies that choose to communicate on these issues. In short, the gap arises when what you say and what you do don't align.

**3** There is a 24-point gap between Biden voters and corporate executives on the effectiveness of corporate communication, and only 17% think corporate communication has been "very" effective.

**63%**
of corporate executives agree unequivocally that companies should speak out on social issues

**36%**
of voters agree unequivocally that companies should speak out on social issues

# WHAT IS HAPPENING

As the data show, the organizational impulse to weigh in on any and every social issue is disregarded by audiences, disconnected from what people want, and even diminishing to corporate reputation.

The zeitgeist, driven in part by changing expectations among groups and norms, pushes immediate and seemingly bold declarations from organizations and their leaders, but Brunswick's proprietary research is telling us that these efforts aren't credibly received as meaningful if they are not approached with more consideration.

Reflexive messages fall flat. More tangible efforts fall short. Statements from corporate leaders are received with a raised eye-brow, a side-eye — or, worse yet, ignored. Investments don't match intentions.

In a vicious cycle, trust is further eroded, and there is even less room for organizations to engage meaningfully.

## EXACERBATED BY IMPULSE

The Talking Trap does not imply insincerity on anyone's part. Ironically, the data show that the organizations and corporations leaning into social issues feel they are doing the right thing in the right way — particularly that they have to act right now. A majority of corporate executives (74%) think their communication on social issues is effective, compared to just 39% of voters. The effort may come from a place of earnest engagement, but it is not being perceived that way.

In part, that is because **messages are too reflexive, not particularly relevant to that organization's core mission, constituencies, and stakeholders, and, often, simply too random or superficial to create meaningful connection with audiences and demonstrate action**. In some cases, the voting public simply disagrees with the social stances that many corporations are taking or they do not understand the organizational imperative.

More often than not (and more often than ever), companies are talking, but who is really listening, and do they even agree with what they say?

## CONTEXT FOR THESE FINDINGS

The impulse to engage is only part of the story and does not stand alone. People are tired of politics. Democrats and Republicans are disliked, and voters don't want to read about politics or watch it on TV. And Brunswick's new data suggest they do not want corporations necessarily weighing in on the issue of the day.

This attitude is a reflection of the broad alienation that most Americans (Democrats and Republicans) feel toward people and institutions of power. New research from Gallup shows Americans have decreasing confidence in all American institutions except for the military, small business, and the police. Corporations are ranked third from last, only above Congress and television news.

In this polarized and challenging environment, it is little wonder that voters want companies to carefully consider how and when they weigh in on issues.

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# NEW DATA BACK IT UP

## 1

**FINDING 1:**

By almost double, corporate executives (63%) have vastly overestimated how much people (36%) want to hear companies discuss social issues. This means *when*, *how,* and *why* a company engages matters a lot more.

In general, should companies speak out on social issues in American life?



Corporate Executives: 7%, 30%, 63%

2020 Voters: 20%, 36%, 44%
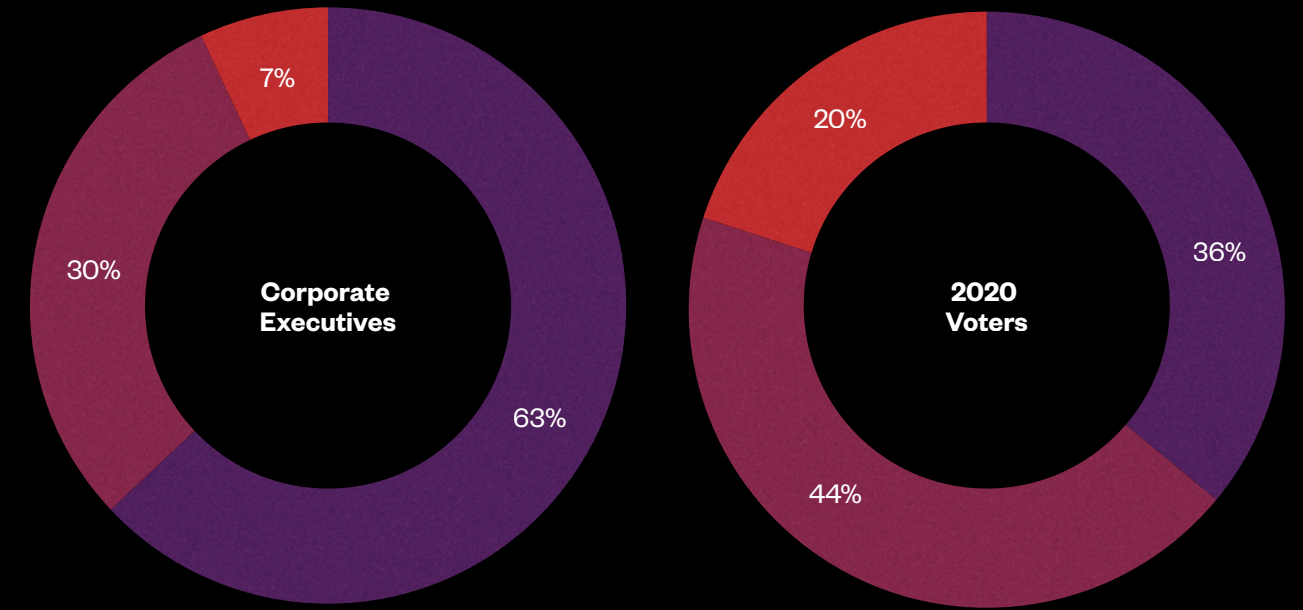
It is intuitive that Trump voters are less open to companies speaking out on social issues than Biden voters, but even Biden voters think corporate executives need to weigh in less.



| | Yes | Yes, but only if directly related to the core business | No |
|---|---|---|---|
| Corporate Executives | 63% | 30% | 7% |
| Biden Voters | 51% | 40% | 9% |
| Trump Voters | 20% | 49% | 31% |

■ Yes  ■ Yes, but only if directly related to the core business of the company/organization  ■ No
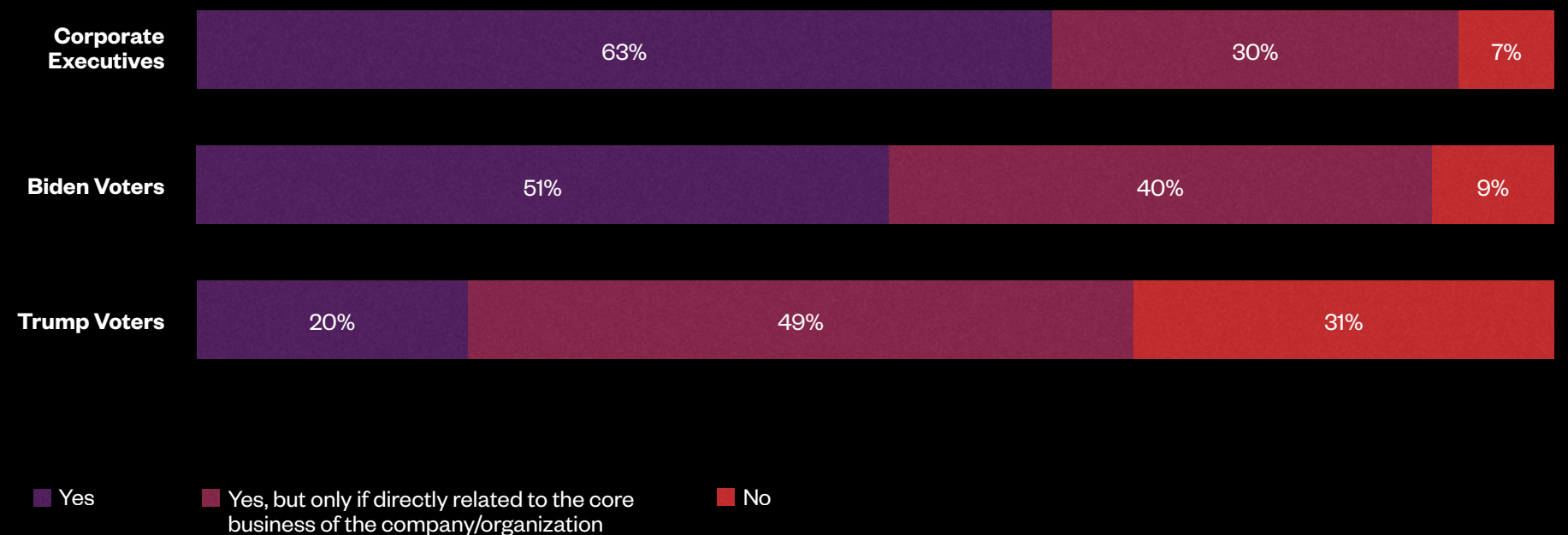
# NEW DATA BACK IT UP

## 2

**FINDING 2:**

Less than 40% of voters think companies are effective at speaking out on social issues, which should give companies pause before reflexively doing it.

Based on what you have seen, read, or heard, how effectively do you think companies are speaking out on social issues?

**Corporate Executives** — 74% Effective

| 38% | 36% | 7% | 12% | 7% |

**All Voters** — 39% Effective

| 14% | 25% | 31% | 17% | 14% |

**Biden Voters** — 50% Effective

| 17% | 33% | 27% | 15% | 8% |

**Trump Voters** — 26% Effective

| 10% | 16% | 34% | 20% | 20% |

■ Very effectively   ■ Somewhat effectively   ■ Neither effectively nor ineffectively   ■ Somewhat ineffectively   ■ Very ineffectively
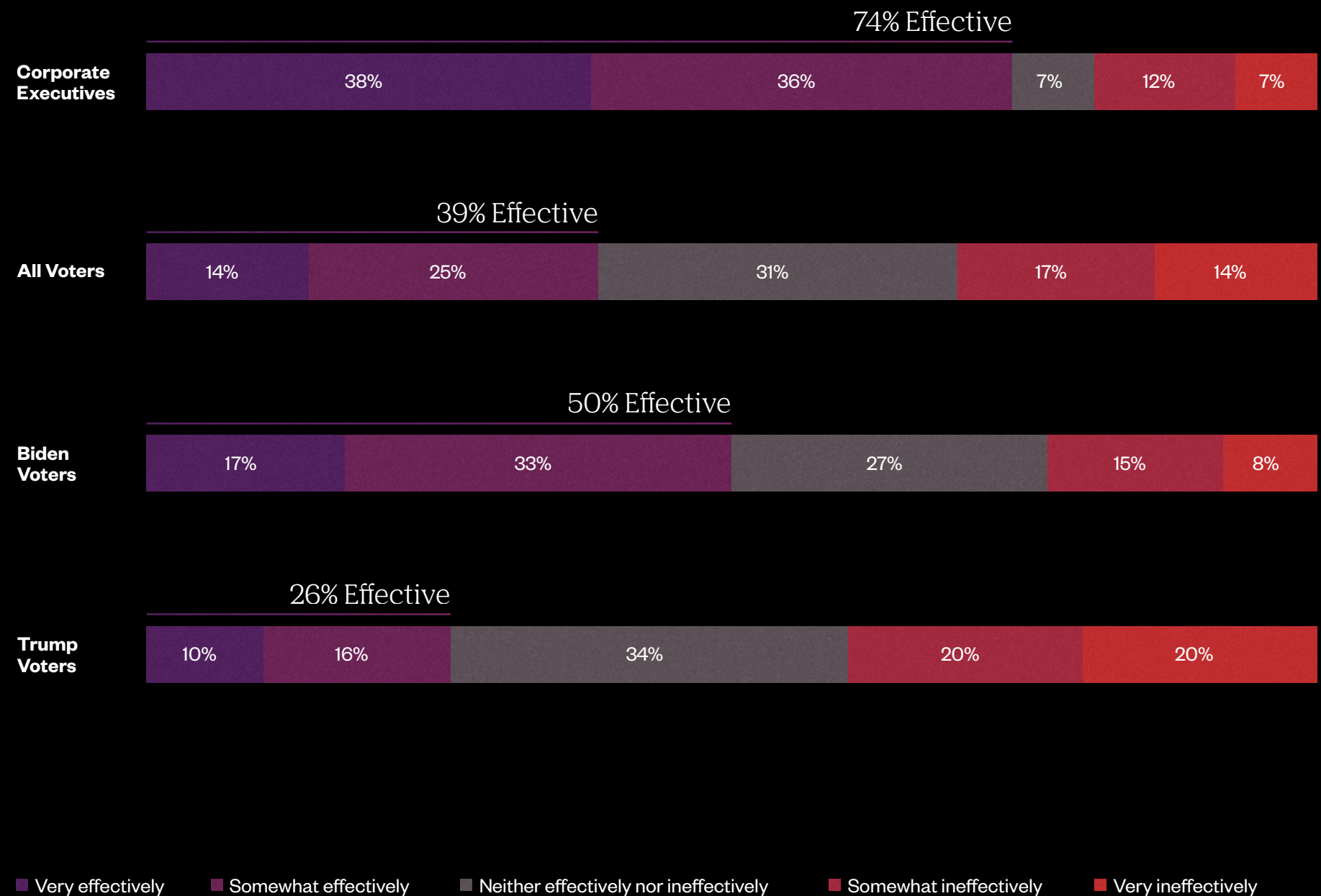
# NEW DATA BACK IT UP

Voters think companies only speak out on social issues to look better to consumers and are not being sincere.

Companies speak out on social issues because they **want to achieve real change**

| | Corporate Executives | |
|---|---|---|
| | 57% | 43% |
| Voters | 39% | 61% |

Companies speak out on social issues to **look better to consumers**

When companies display the rainbow flag as part of Pride month, they are **expressing sincere solidarity** with the LGBTQ community

| | Corporate Executives | |
|---|---|---|
| | 55% | 45% |
| Voters | 43% | 57% |

Companies that display the rainbow flag during Pride month are **not being sincere** since they often take it down at the end of Pride month

Companies that advocate for diversity in their hiring practices do so because they **genuinely care about workforce diversity**

| | Corporate Executives | |
|---|---|---|
| | 56% | 44% |
| Voters | 42% | 58% |

Companies that advocate for diversity in their hiring practices do so to **improve their reputation**

Q: Please select the statement you agree with the most, even if you don't agree with 100% of the statement.

# NEW DATA BACK IT UP

**FINDING 3:**

Voters view homelessness, mental health, and poverty as Top 10 issues, but these issues are not top concerns for corporate executives.

## There are large gaps between what corporate executives and voters identify as the most important issues in America.

*Top 10 Most Important Issues in American Life*

| Corporate Executives | | Voters | |
|---|---|---|---|
| Health care | 56% | Health care | 50% |
| Climate change | 50% | Homelessness | 40% |
| Data privacy | 43% | Mental health | 39% |
| Racism | 41% | Unemployment | 38% |
| Gun violence | 40% | Crime prevention | 38% |
| Racial equity | 39% | Climate change | 36% |
| Crime prevention | 38% | Poverty | 34% |
| Unemployment | 37% | Gun violence | 34% |
| Drug abuse | 36% | Drug abuse | 32% |
| Gender equality | 36% | Racism | 31% |
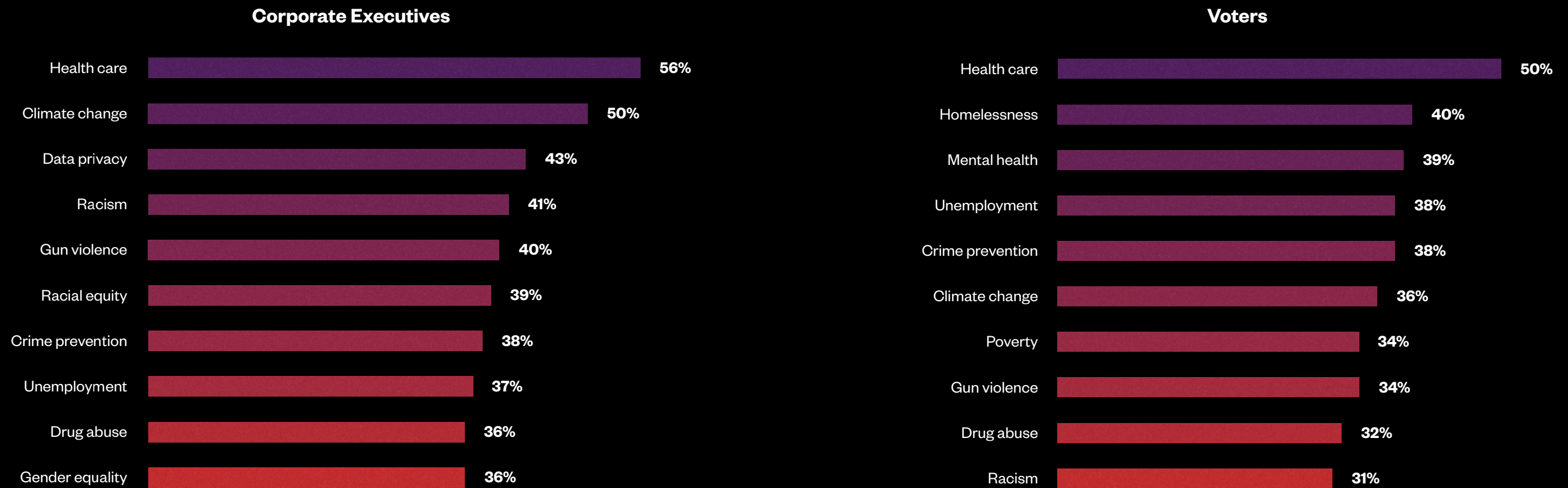
Q: Which of the following would you consider to be the most important issues in American life?

# NEW DATA BACK IT UP

# 4

**FINDING 4:**

Voters are more likely to view substantive and tangible actions from companies as authentic, like providing direct relief to communities.

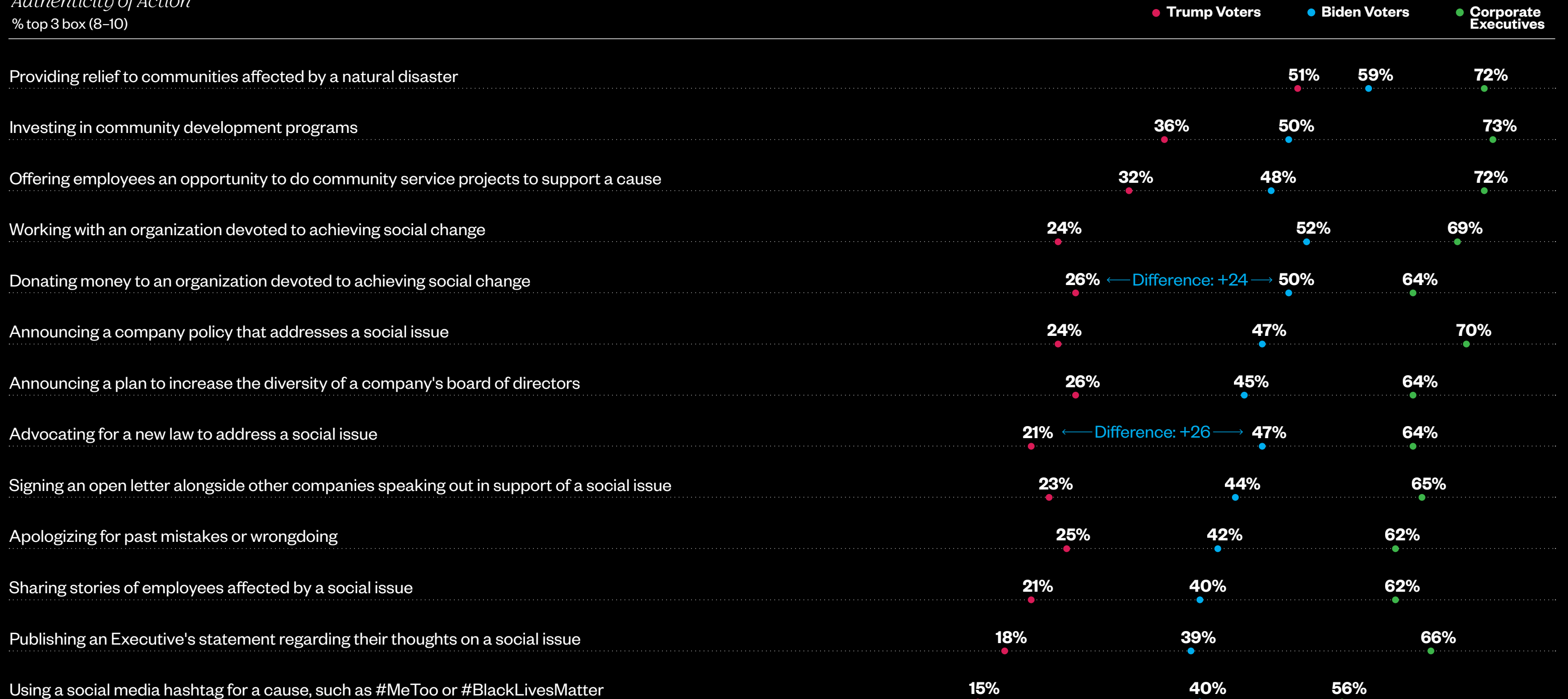| Company Action | Voters % View Action as Authentic | Corporate Executives % View Action as Authentic | Difference Between Voters and Executives |
|---|---|---|---|
| Providing relief to communities affected by a natural disaster | 55% | 72% | -17 |
| Investing in community development programs | 43% | 73% | -30 |
| Offering employees an opportunity to do community service projects to support a cause | 40% | 72% | -32 |
| Working with an organization devoted to achieving social change | 38% | 69% | -31 |
| Donating money to an organization devoted to achieving social change | 38% | 64% | -26 |
| Announcing a company policy that addresses a social issue | 36% | 70% | -34 |
| Announcing a plan to increase the diversity of a company's board of directors | 36% | 64% | -28 |
| Advocating for a new law to address a social issue | 35% | 64% | -29 |
| Signing an open letter alongside other companies speaking out in support of a social issue | 34% | 65% | -31 |
| Apologizing for past mistakes or wrongdoing | 34% | 62% | -28 |
| Sharing stories of employees affected by a social issue | 31% | 62% | -31 |
| Publishing an Executive's statement regarding their thoughts on a social issue | 29% | 66% | -37 |
| Using a social media hashtag for a cause, such as #MeToo or #BlackLivesMatter | 28% | 56% | -28 |

*Q: Below is a list of specific actions a company may take in response to a social issue. Please rate each action on how authentic it is for a company to take each action on the scale provided, with "0" being "not authentic at all" and "10" being "completely authentic."*

# NEW DATA BACK IT UP

Voters as a whole view few of the potential company actions as authentic, with Trump voters less likely to consider any action as authentic. There is no specific action beyond providing natural disaster relief that a majority — 50 percent — of voters would view as "authentic".

*Authenticity of Action*
% top 3 box (8–10)

● **Trump Voters**     ● **Biden Voters**     ● **Corporate Executives**

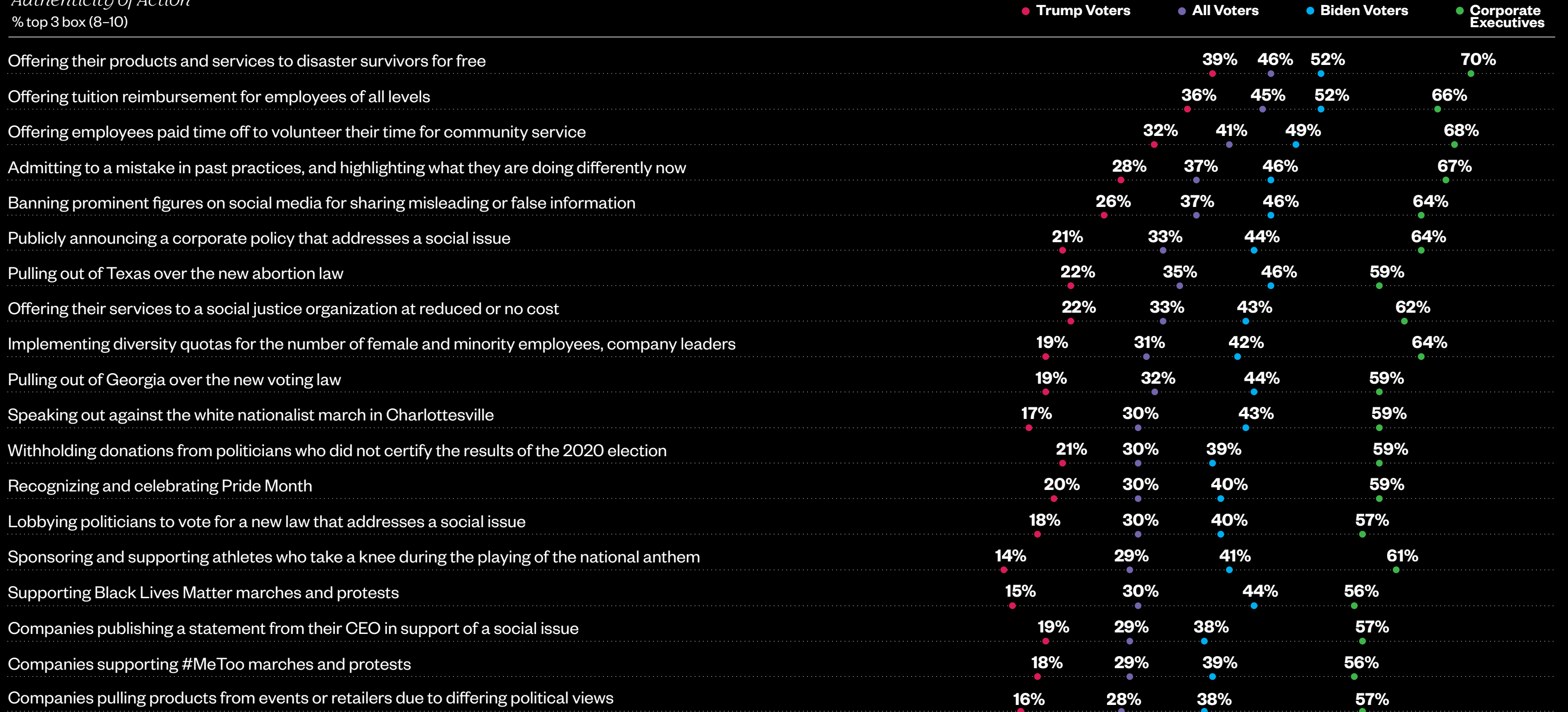| Action | Trump Voters | Biden Voters | Corporate Executives |
|---|---|---|---|
| Providing relief to communities affected by a natural disaster | 51% | 59% | 72% |
| Investing in community development programs | 36% | 50% | 73% |
| Offering employees an opportunity to do community service projects to support a cause | 32% | 48% | 72% |
| Working with an organization devoted to achieving social change | 24% | 52% | 69% |
| Donating money to an organization devoted to achieving social change | 26% ← Difference: +24 → | 50% | 64% |
| Announcing a company policy that addresses a social issue | 24% | 47% | 70% |
| Announcing a plan to increase the diversity of a company's board of directors | 26% | 45% | 64% |
| Advocating for a new law to address a social issue | 21% ← Difference: +26 → | 47% | 64% |
| Signing an open letter alongside other companies speaking out in support of a social issue | 23% | 44% | 65% |
| Apologizing for past mistakes or wrongdoing | 25% | 42% | 62% |
| Sharing stories of employees affected by a social issue | 21% | 40% | 62% |
| Publishing an Executive's statement regarding their thoughts on a social issue | 18% | 39% | 66% |
| Using a social media hashtag for a cause, such as #MeToo or #BlackLivesMatter | 15% | 40% | 56% |

Q: Below is a list of specific actions a company may take in response to a social issue.
Please rate each action on how authentic you feel companies have been when they did the specific action listed below.
Please indicate your answer on the scale provided, with "0" being "not authentic at all" and "10" being "completely authentic."

# NEW DATA BACK IT UP

When presented with more specific actions companies can take, voters as a whole view few of the actions as authentic.

## Authenticity of Action
% top 3 box (8–10)

| Action | Trump Voters | All Voters | Biden Voters | Corporate Executives |
|---|---|---|---|---|
| Offering their products and services to disaster survivors for free | 39% | 46% | 52% | 70% |
| Offering tuition reimbursement for employees of all levels | 36% | 45% | 52% | 66% |
| Offering employees paid time off to volunteer their time for community service | 32% | 41% | 49% | 68% |
| Admitting to a mistake in past practices, and highlighting what they are doing differently now | 28% | 37% | 46% | 67% |
| Banning prominent figures on social media for sharing misleading or false information | 26% | 37% | 46% | 64% |
| Publicly announcing a corporate policy that addresses a social issue | 21% | 33% | 44% | 64% |
| Pulling out of Texas over the new abortion law | 22% | 35% | 46% | 59% |
| Offering their services to a social justice organization at reduced or no cost | 22% | 33% | 43% | 62% |
| Implementing diversity quotas for the number of female and minority employees, company leaders | 19% | 31% | 42% | 64% |
| Pulling out of Georgia over the new voting law | 19% | 32% | 44% | 59% |
| Speaking out against the white nationalist march in Charlottesville | 17% | 30% | 43% | 59% |
| Withholding donations from politicians who did not certify the results of the 2020 election | 21% | 30% | 39% | 59% |
| Recognizing and celebrating Pride Month | 20% | 30% | 40% | 59% |
| Lobbying politicians to vote for a new law that addresses a social issue | 18% | 30% | 40% | 57% |
| Sponsoring and supporting athletes who take a knee during the playing of the national anthem | 14% | 29% | 41% | 61% |
| Supporting Black Lives Matter marches and protests | 15% | 30% | 44% | 56% |
| Companies publishing a statement from their CEO in support of a social issue | 19% | 29% | 38% | 57% |
| Companies supporting #MeToo marches and protests | 18% | 29% | 39% | 56% |
| Companies pulling products from events or retailers due to differing political views | 16% | 28% | 38% | 57% |

Q: Below is a list of specific actions a company may take in response to a social issue.
Please rate each action on how authentic you feel companies have been when they did the specific action listed below.
Please indicate your answer on the scale provided, with "0" being "not authentic at all" and "10" being "completely authentic."
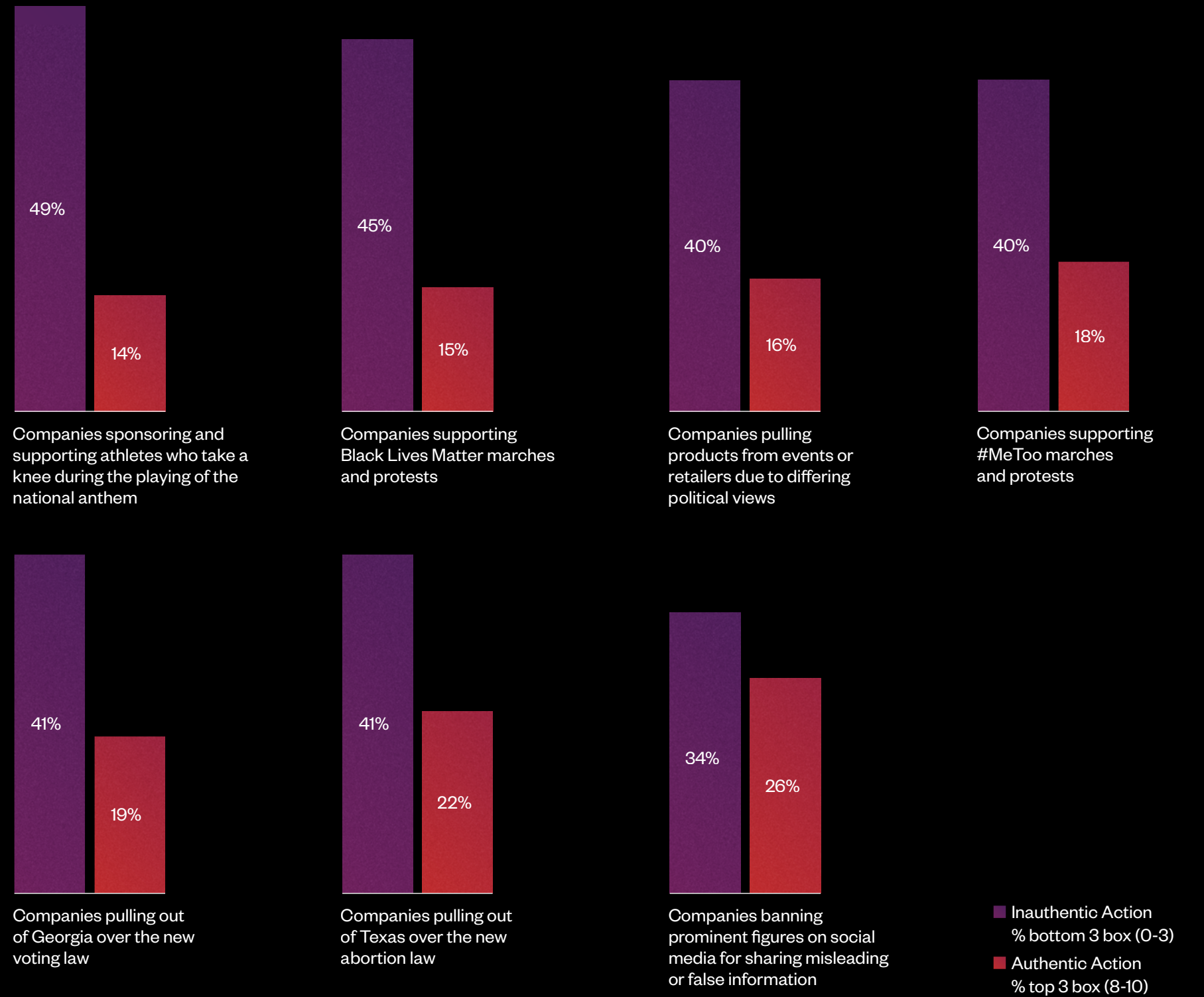
# NEW DATA BACK IT UP

# 5

**FINDING 5:**

Trump voters view many of the specific actions that companies have taken recently in response to social issues as inauthentic.

## Recent corporate actions that Trump voters are likely to view as inauthentic.

**Companies sponsoring and supporting athletes who take a knee during the playing of the national anthem**
- 49%
- 14%

**Companies supporting Black Lives Matter marches and protests**
- 45%
- 15%

**Companies pulling products from events or retailers due to differing political views**
- 40%
- 16%

**Companies supporting #MeToo marches and protests**
- 40%
- 18%

**Companies pulling out of Georgia over the new voting law**
- 41%
- 19%

**Companies pulling out of Texas over the new abortion law**
- 41%
- 22%

**Companies banning prominent figures on social media for sharing misleading or false information**
- 34%
- 26%

■ Inauthentic Action
% bottom 3 box (0-3)

■ Authentic Action
% top 3 box (8-10)

Q: Below is a list of specific actions a company may take in response to a social issue.
Please rate each action on how authentic you feel companies have been when they did the specific action listed below.
Please indicate your answer on the scale provided, with "0" being "not authentic at all" and "10" being "completely authentic."

# WHAT THIS MEANS

In combination, the data signal stark conclusions:

- Voters are skeptical of corporate statements on social issues.
- Your assumptions about your audiences' interest in hearing from you on social issues are likely overestimated.
- The issues corporate executives think matter don't matter nearly as much as they believe.
- Even audiences that agree with you "somewhat" may not agree to the same extent you do.
- Concrete and tangible actions are more effective than reflexive statements.
- Even when you believe you are making a sincere statement, some methods of doing so may be seen by some voters as particularly inauthentic.

While there is no easy answer on how to approach an increasingly difficult environment, we believe that companies can start by: having a grounded strategy to address these issues, having a thoughtful framework for deciding how and when to weigh in, engaging with internal and external DEI expertise, and ensuring any contribution to wider social engagement is actionable.

The data — and the environment emerging over the next next three years — elevate the pressing need for organizations and their executive leadership to put a more comprehensive, thoughtful framework in place to decide whether to engage with the public around social issues, and how to do so in a way that most effectively bridges any perception of talk without action.

# WHAT'S NEXT

Looking ahead over the next year, things are only going to get more complicated and more turbulent.

The result of the gubernatorial race in Virginia indicates that voters are increasingly focused on pocketbook issues related to the costs of living, as well as education policy. The Congressional midterm elections in November 2022 will only put further attention on these issues. The Supreme Court will announce myriad — and momentous — decisions in 2022 that will undoubtedly provoke profound civic and cultural reactions. The January 6 Commission will deliver its findings, and there may be additional legal action taken against key individuals. Provocative legislation continues to be negotiated and passed at the Federal and state levels. And we are less than 12 months away from the beginning of the 2024 presidential election.

Underlying all of those discrete events is this macro-level consideration: We know from the past two years how dramatically the landscape can shift. Your organization will undoubtedly be asked or demanded to engage on prevailing social issues by both internal and external stakeholders — you need a process for navigating that decision and successfully avoiding The Talking Trap.

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# RECOMMENDATIONS TO AVOID THE TALKING TRAP

### RECOMMENDATION 1:
## Make It Thoughtful

The news cycle revs at ever-higher RPMs, with social media algorithms engineered for viral engagement to hit the red line. Your organization's response to events of the moment must mitigate reflexive reactions in favor of productive insight – that is the foundation of meaningful connection on social issues.

Your organization can — and should — have an action orientation without always-on impulsivity.

That requires an installed framework of action that can:

• Present a clear-eyed view of the circumstances;

• Layer in a filter to analyze the implications for your organization;

• Evaluate whether a response is appropriate given the requirement to engage meaningfully and, if so, what the most appropriate actions might be; and

• Insert a beat of introspection to ensure you are proceeding as thoughtfully as your intentions.

• Decision-making has to include paths to not respond to a particular issue, in addition to the many ways in which it could and should.

**Bottom line: Meaningful engagement means it is okay not to comment on every social or political issue.**

### RECOMMENDATION 2:
## Make It Matter

If your organization decides to respond to an emerging issue, engage with humility, vulnerability, and enthusiasm on the issues and in ways that are most relevant to your organization.

Enthusiasm does not imply a lack of gravitas, particularly given the issues at hand; what that means is that organizations have to identify which issues are most relevant to include their voice, then put participation behind it.

This includes engaging with employees to illuminate the issues at the nexus of the organization, then creating channels and feedback loops for everyone in the organization to have the opportunity to act.

Again, it is also important to create or signal permission not to respond, either immediately or eventually. It is not the case that an organization needs to respond to every external event, particularly if it is evaluated or perceived as being irrelevant to your organization.

**When your organization thoughtfully decides to participate, approach from a position of engagement.**

### RECOMMENDATION 3:
## Make It Tangible

When an organization does take action, crystallize that the impact is direct and has a meaningful impact on people's lives.

Statements and symbols — however sincerely delivered — may be necessary but they are not sufficient.

Organizations need to be ready to back it up with an investment that is as tangible as it is earnest — donations of cash, donations of product, donations of your employees' paid time, and with your daily business practices.

**From consumers to voters to your own employees, people have a keen sense of what is a costless gesture and what kind of action is reflective of being core to your organization.**

# FINAL THOUGHT

The current environment is complex and confusing at a moment when people seem to crave more certainty or clarity than ever.

It isn't that people don't want your organization to be responsive or don't believe in your engagement efforts *in toto* – on the contrary, they gravitate to it, they respect it, and they can even be inspired by it.

However, hyper-politicization, algorithmic information filters, and a weary cynicism require organizations to make a more insightful effort to widen the lens, prepare, and evolve their approach.

Evading the Talking Trap for organizations isn't just an imperative – it is achievable by applying lessons from the audience themselves, as well as a thoughtful self-evaluation.

The world is clamoring for more insight, more clarity, and more high-quality leadership, and every organization has the capability to make contributions of tangible impact.

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## ABOUT THE CRITICAL

THE CRITICAL is a new series focused on intersection of business and politics. The series will pair proprietary Brunswick research with expert advice to offer actionable insights and analysis on pressing issues.

## METHODOLOGY

Brunswick Insight conducted a survey of 301 U.S. corporate executives and 800 2020-voters. The survey was fielded from September 29 to October 7, 2021. The corporate executives were defined as full time employees with an executive level or C-suite title working at companies with at least $50M in annual revenue. The voters were registered voters who voted in the 2020 Presidential election – with the sample balanced to reflect the 2020 split in the electorate.

## ABOUT BRUNSWICK

**Brunswick is an advisory firm specializing in business critical issues.**

We help clients navigate the interconnected financial, political and social worlds to build trusted relationships with all their stakeholders.

From financial situations through to capital markets, crisis, cyber, employee engagement, and litigation, clients rely on Brunswick for insight, advice, planning, preparedness, and campaigns.

Our sector expertise combined with our deep seated knowledge of corporate communications and relations, means that boards turn to us during leadership transitions, for complex, cross-border work and business critical situations.

## CONTACT

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Collective Intelligence

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