

Pulse Check:
It's Time to Recalibrate—
Surprising Truths About Corporate Advocacy

Overview

In the past decade, society has witnessed disruption at a significant scale and pace. From public health challenges to disinformation campaigns, from addressing systemic inequities to managing the impacts of climate, companies have had to assess their role in addressing issues that impact their business operations and society at large.

APCO first fielded research on corporate advocacy in 2017, after the Trump Administration came into office and as many companies were starting to assert their voice as advocates on issues important to society, such as the #metoo movement and global terrorism. Demands for stronger action on issues like climate change and racial injustice created opportunities for corporations to influence the conversation. The results of the 2022 midterm election shift the operating environment yet again, as divisions within the country grow even more stark.

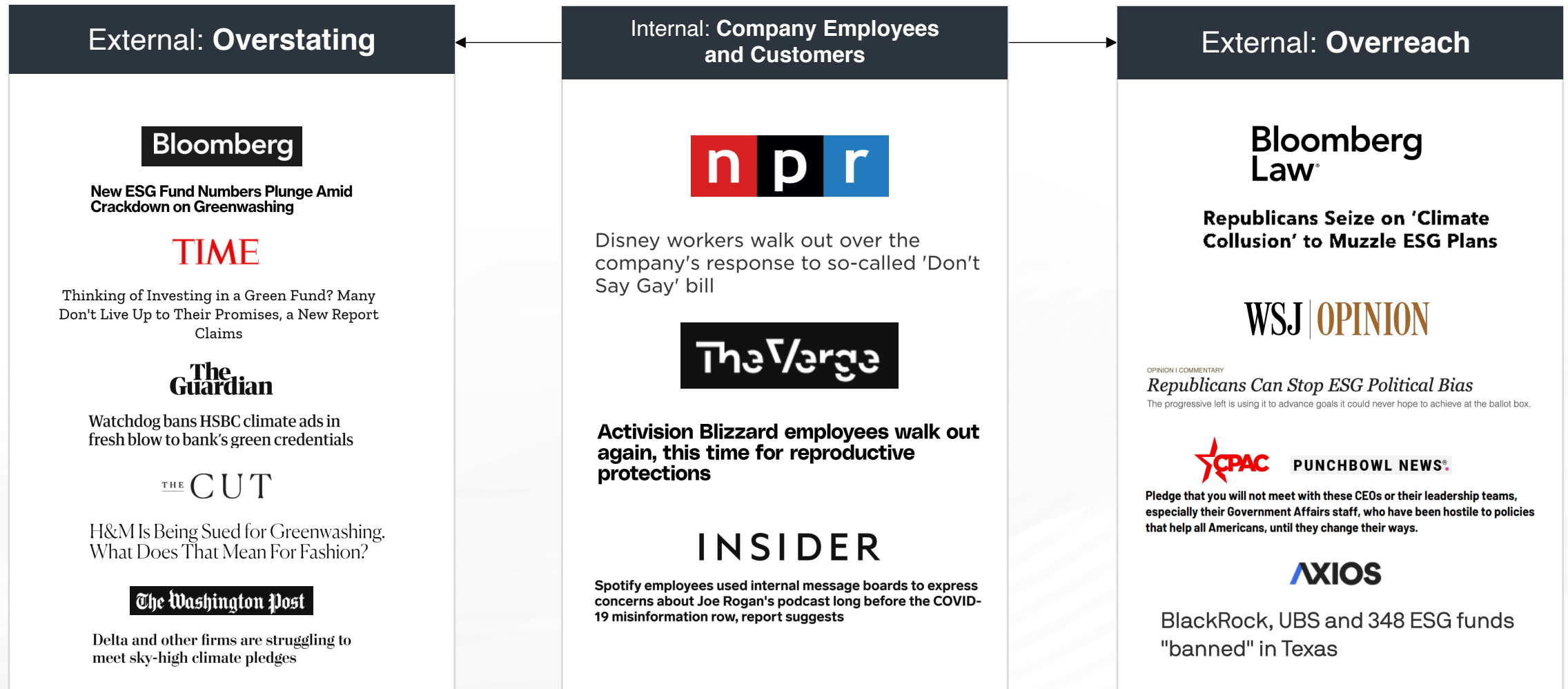
Ahead of the election, APCO asked the U.S. public about their views on corporate advocacy and the role of companies, as well as perceptions and attitudes toward responsible business practices—including the term ‘ESG’.

The insights and implications we’ve identified from this study will help companies navigate what we anticipate will be a fraught environment. **Corporations need to be ready for what’s to come.**

Methodology

APCO Insight, the global research consultancy within APCO, conducted an online survey from October 7-18, 2022, among a nationally representative sample of 2,005 U.S. adults 18+ years old.

Polarization is not just in politics — It is hitting companies from the outside and inside



Insights and Implications



It's time to recalibrate corporate advocacy

- There is a sharp partisan divide on the role companies should play in politics and in addressing social issues.
- While the research provides insight, issue-by-issue, into how the public prefers to see business engage on important issues, companies should take care to understand their audiences and then act with intention.



There is a way to have a say—and “the how” matters

- Making a commitment should start at home: internal action preferred over external action.
- The business case for advocacy should be built-in, not bolted on.
- There is some consensus on issues where business can lead.
- Prioritize the values of your employees—alignment on social and environmental issues drives retention.



Show and tell the business case for ESG

- The term ‘ESG’ (Environmental, Social and Governance) is a deeply misunderstood and unfamiliar concept to the American public.
- While the term ‘ESG’ has some negative associations—especially among Conservative Republicans—there is broad support for ESG as a business strategy.

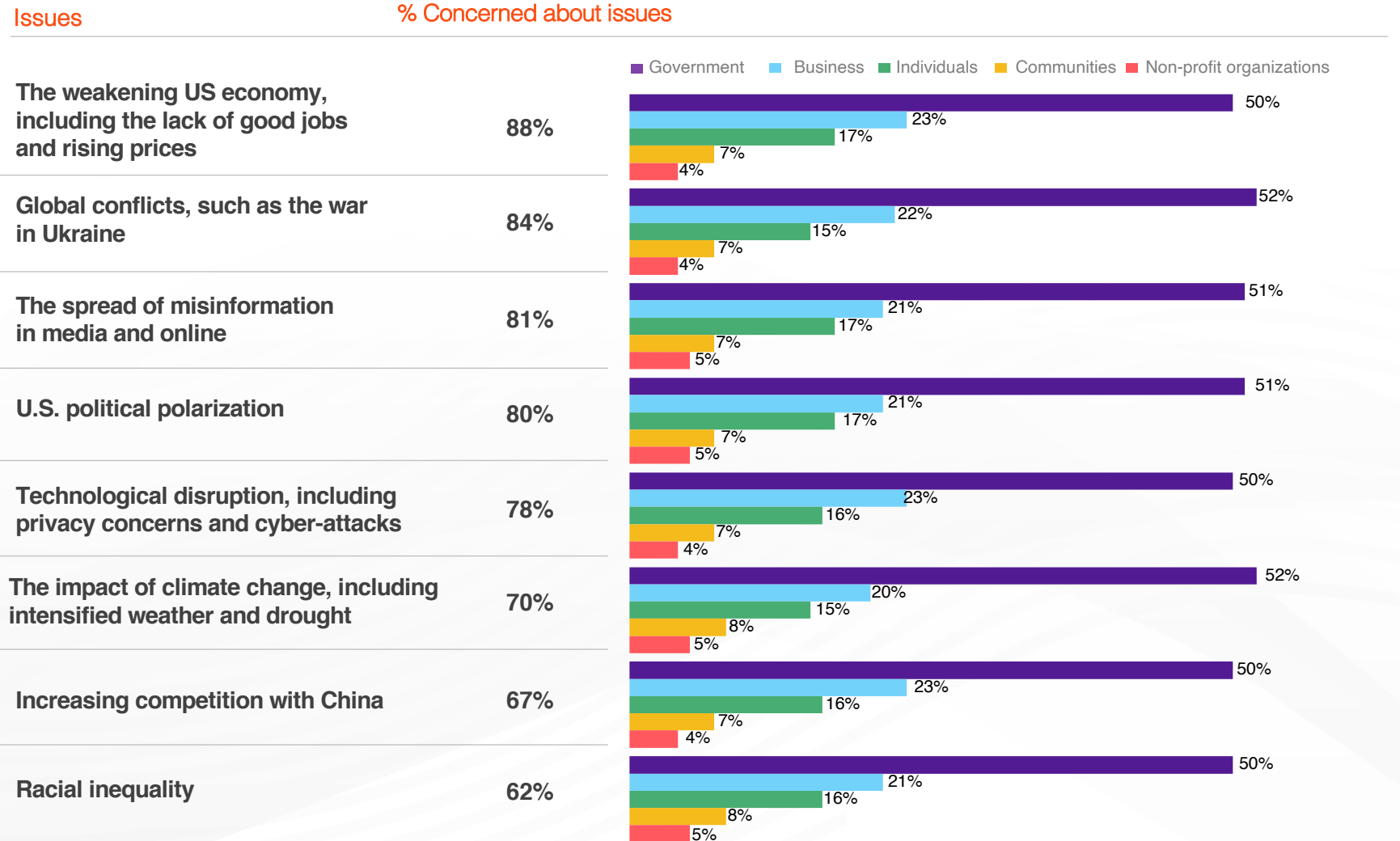
KEY TAKEAWAY:

Americans look first to government to solve our most pressing issues

About half of respondents who express high concern on issues facing our country believe the government could be most effective at addressing each of the eight tested issues. Businesses fall second for each issue, with individual responsibility sitting closely behind.

Notably, greater shares of concerned Democrats say the government is most effective across many of the issues tested compared to Republicans. And while still falling second, the proportion of Republicans to Democrats selecting business tend to be slightly higher.

Who do you think could be most effective in addressing...?



Q1: To start, how concerned are you about the following issues?
Q2:[ASK IF Q1 = 3/4] Which of the following institutions do you think could be MOST effective in addressing [PIPE IN FOUR RANDOMLY SELECTED ITEMS FROM Q1 IF Q1=3/4]? Please select one.

KEY TAKEAWAY:

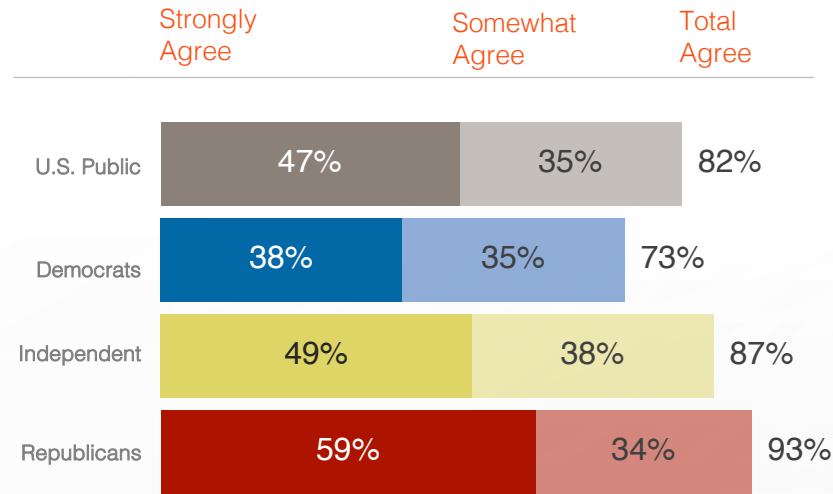
Sharp divide on the role business should play to address society's issues

While the role for government may be slightly clearer, Americans hold conflicting views on what part corporations should play to address our biggest issues. While a majority (82%) believe companies should stay out of politics, there is also agreement (79%) that companies do have a role to play in addressing major challenges facing society. However, there is a distinct partisan divide: Republicans (especially those who self-identify as Conservative Republicans) are more likely than Democrats to believe that a company should focus solely on products and steer clear of politics. On the flip side, Democrats believe more strongly that a company can play a role on key societal challenges.

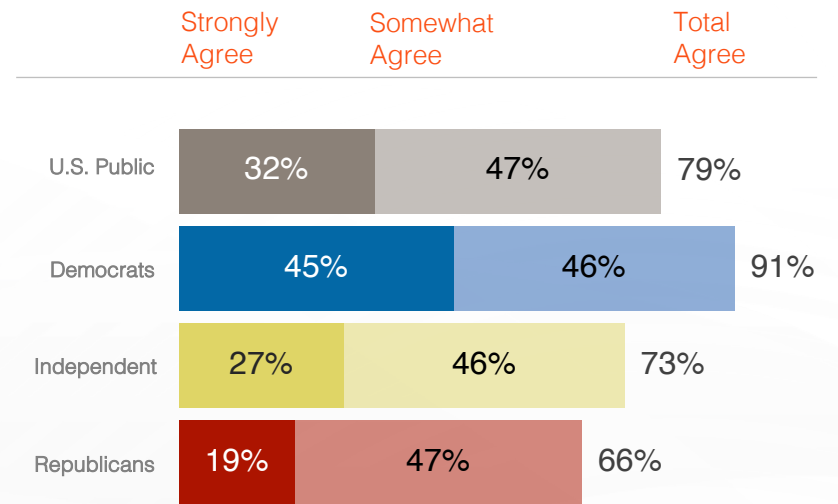
Studies advising companies to simply “get off the sidelines” are ignoring today’s opinion environment.

Do you agree or disagree with the following statements?

Companies should focus on providing products and services and stay away from political issues



Companies have an important role to play in addressing the major challenges facing society.



Older Americans 55+ feel most strongly on keeping companies out of political issues. Conversely, younger Americans (under 35) are more likely to support companies playing a role in addressing societal issues than their older counterparts (55+).

KEY TAKEAWAY:

It's time to recalibrate

There is little consensus on what issues or events would prompt a company to take a stand. When asked to select the best statement that describes their point of view on how companies can act on current events and issues, views are split. While nearly two-thirds (64%) believe a company should speak out or take action, opinions are divided as to which issues warrant advocacy—with slightly more (35%) saying a company can speak out or take action “if it relates to their business and where they can make a meaningful impact” than say take action on “any issue important to employees and customers.”

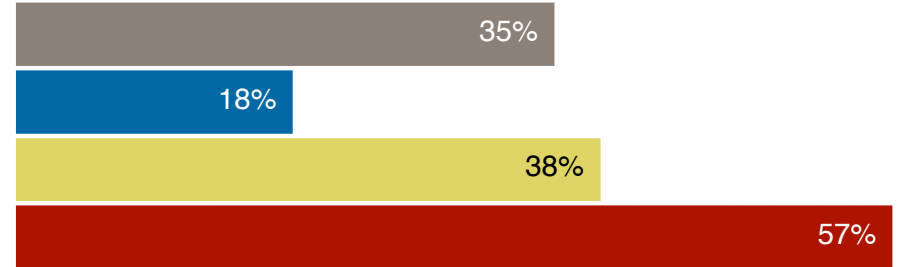
There is a distinct partisan divide: Republicans feel intensely that companies should stay out of current events and issues, while Democrats tend to believe that companies should take a stand. Independents find themselves in the middle—with a plurality aligned with their Republican counterparts. These results are clear: companies need to be far more cautious in how they approach divisive issues in this increasingly polarized environment.

Which of the following best describes your opinion?

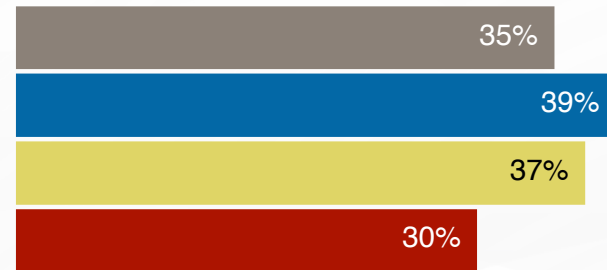
% Selecting statement as best reflecting their opinion

■ U.S. Public ■ Democrats ■ Independent ■ Republicans

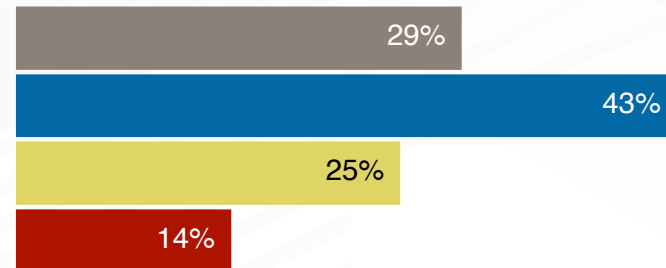
1. A company should focus on their core business mission and stay out of current event issues and debates.



2. A company should speak out, take action or advocate on current events and issues only if it relates to their business and is an area where they can make a meaningful impact.



3. A company should speak out, take action or advocate on any current events and issues that are important to their employees and customers.



KEY TAKEAWAY:

Rethink the vocal CEO

When probed on CEOs offering their views on current events and issues of the day, a plurality of Republicans (40%) and Independents (29%) believe that these corporate leaders should stay quiet. Democrats feel much more strongly that a CEO can offer their views if the issues align with the business or what employees and consumers care about.

Companies that rush to take a superficial approach are likely to experience pushback—it's essential to demonstrate the relevancy and expertise to establish credibility.

Which one of the following best describes your opinion on corporate CEOs offering their views on current events and issues of the day?

% Selecting statement as best reflecting their opinion

	U.S. Public	Democrats	Independent	Republicans
1. I'm supportive if the issue is connected to or could impact their business.	25%	25%	25%	27%
2. I think CEOs should stay quiet on current events and issues of the day.	24%	9%	29%	40%
3. I'm supportive if the issue reflects what their consumers care about.	18%	25%	16%	11%
4. I'm supportive if the issue reflects the beliefs and perspectives of employees.	18%	25%	16%	10%
5. I'm supportive if the issue aligns with my views.	14%	17%	14%	12%

KEY TAKEAWAY:

Act internally, tread carefully externally

More than three-quarters of the public (78%) approve of a company responding to a current event issue by making changes internally through a policy change rather than external action (61%) by speaking out in the media.

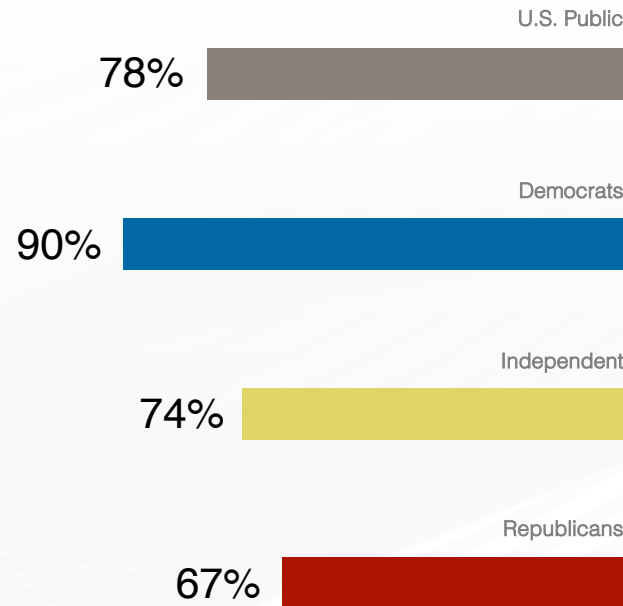
The path for corporate advocacy begins with actions “to get your house in order.” Rushing to speak for or against an issue—especially when internal policies are in conflict—may only result in blowback.

Do you approve or disapprove of the following statements?



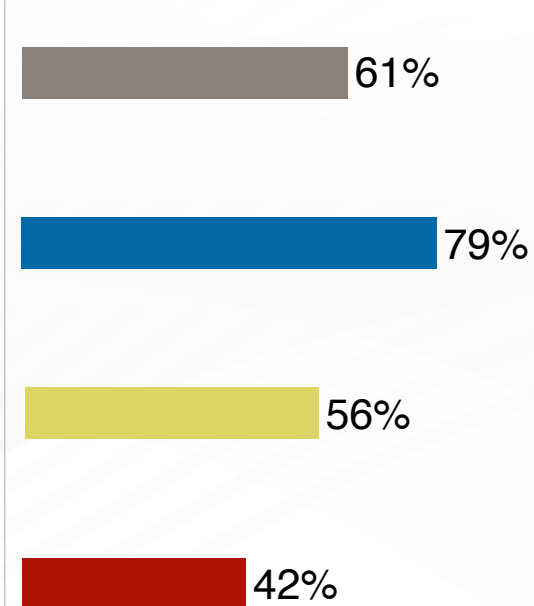
A company taking **action internally** in response to a current event issue, such as by changing an internal policy to impact its employees

% Total Approve



A company taking **action externally** in response to a current event issue, such as by speaking out for or against the issue in the media

% Total Approve



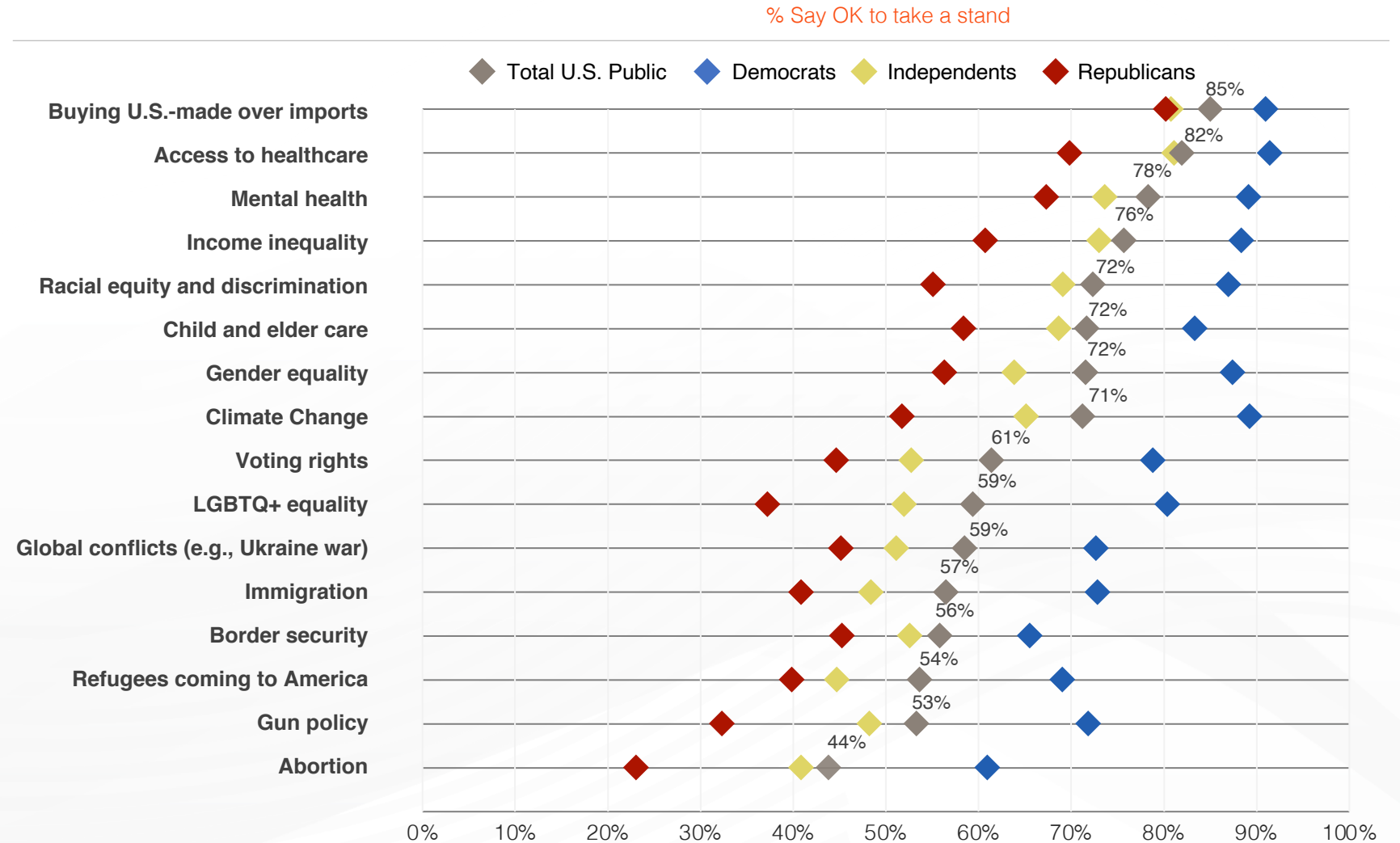
KEY TAKEAWAY:

Know what stakeholders think

Among a set of 16 issues and current events tested in our survey, Republicans and Democrats tend to disagree on which issues are acceptable for companies to take a stand on—with a few exceptions. There is bipartisan support for buying U.S.-made products, ensuring access to healthcare, taking on mental health and income inequality. There is far less consensus across the partisan spectrum on historically divisive issues in which state and federal control are at odds, such as immigration and border security, gun policies and abortion.

Before taking on any issue, companies need to understand how their stakeholders will react.

Is it okay or not okay for companies to take a stand on...?



KEY TAKEAWAY:

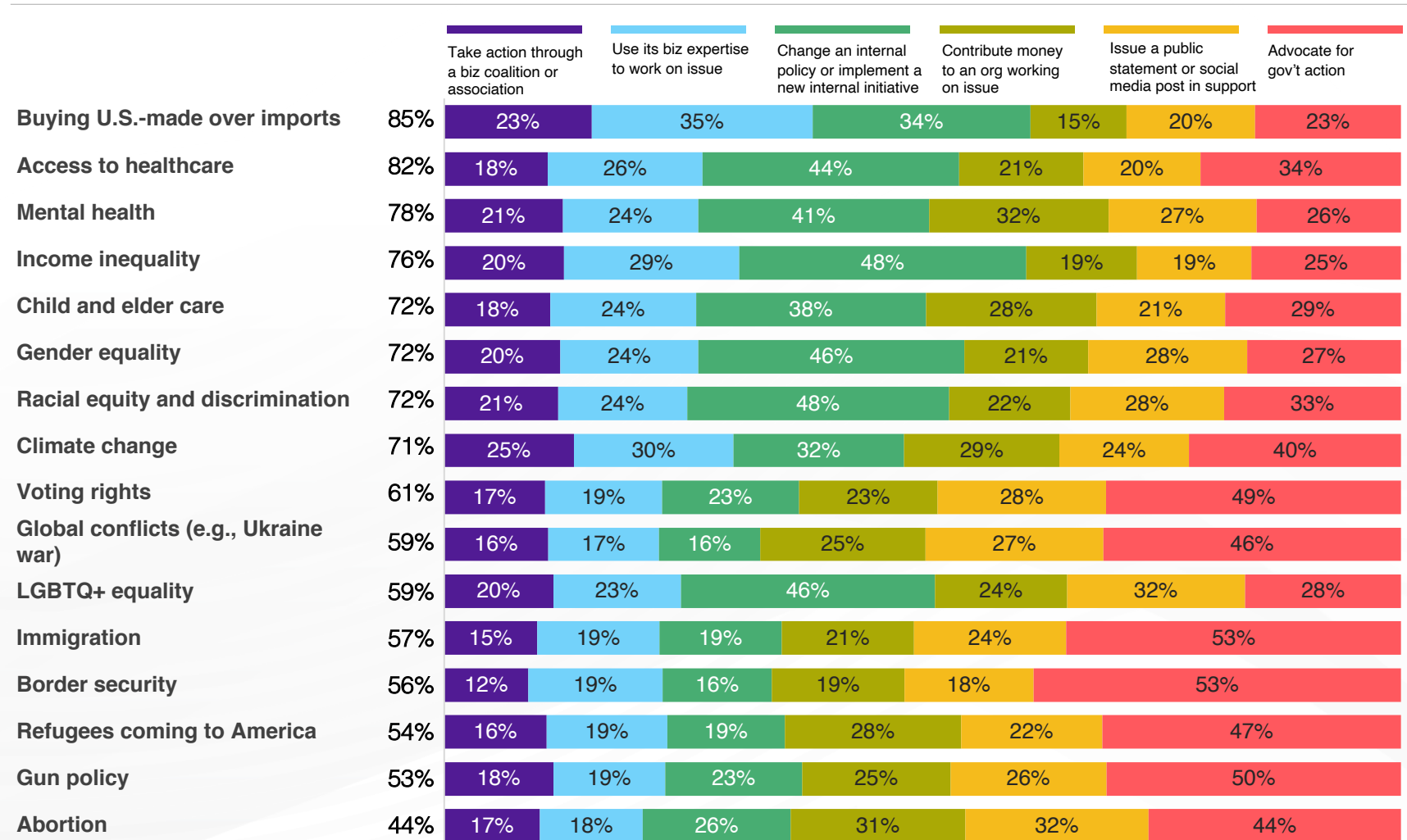
Among those supportive of companies taking a stand, the “right way” to do so varies

The public is divided on what issues are appropriate to engage on as well as how companies should show up on the various issues. To help companies more effectively navigate this environment, we asked Americans who believe it is OK for companies to take a stand on a particular issue to select the best way to do so among six options. Across the topics that are more aligned with business practices and where there is a greater share of support for companies to take a stand (such as healthcare, mental health and income inequality), acting by changing an internal policy stands out. For those who more narrowly support companies taking on the more divisive issues (such as abortion or gun policy), respondents indicate companies should advocate for government action.

The results underscore the importance of companies considering not only on which issues to engage, but also how to do so to have a meaningful impact that protects their reputation.

In what way can a company most effectively take a stand on an issue?

% Say OK to take a stand



Q14. [ASK ITEM IF Q13 = 3/4] In your opinion, for the following issues, in what way can a company most effectively take a stand? Should they...

KEY TAKEAWAY:

Support for company action on issues is dependent on *who* is impacted

From a set of scenarios tested in the survey, actions that affect the broadest segments of Americans tend to be viewed more favorably, such as actions that protect the American economy and broad interests of the population. Issues that tend to be more divisive, such as climate change, or those that are perceived as affecting specific subgroups, such as police violence and abortion rights, may be deemed less relevant, and thus are rated less favorably.

What is your impression of the following company actions?

Company actions

% Favorable

◆ U.S. Public ◆ Democrats ◆ Independent ◆ Republicans

A company announced it will limit its business with China due to concerns about human rights, national security and local business practices.



Following Russia's invasion of Ukraine, a company announced that it would cease operations in Russia.



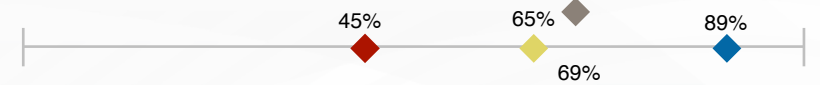
A social media platform announced that it will take action to control the spread of misinformation on its platform during an upcoming election.



A company announced that it has restructured the organization to ensure all profits are used to combat climate change and protect undeveloped land around the globe.



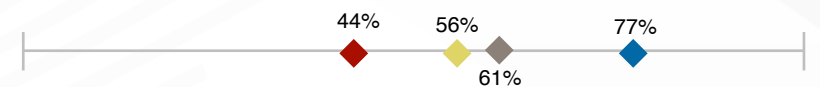
Following public protests in reaction to police violence against people of color, a company announced that it would change hiring policies to increase diversity within the company.



Following the Supreme Court's ruling ending federal abortion rights, a company announced an expansion of health care coverage and travel for procedures not available locally, including abortions.



Following a new law in a state to require voter ID and reduce the window of time a voter can request a mail-in ballot, several companies headquartered in that state issued statements citing concern on limiting voting access.



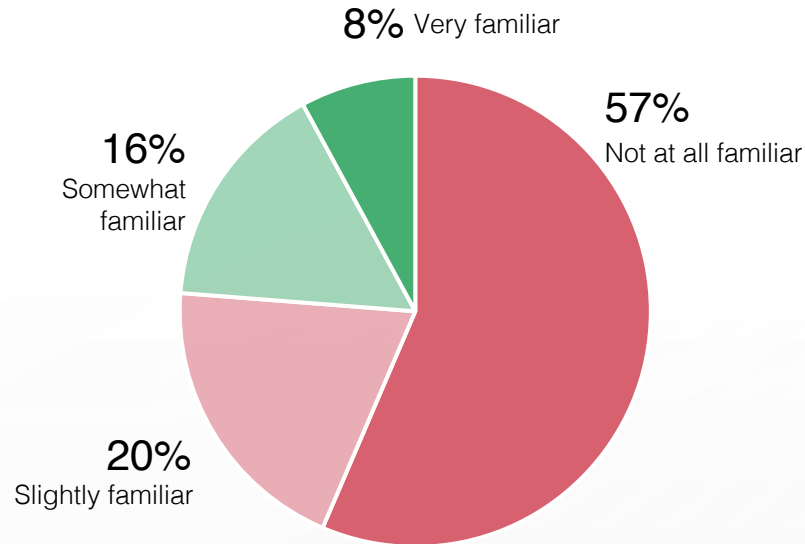
KEY TAKEAWAY:

Low public awareness of term 'ESG'

With Republicans gearing up to battle ESG in 2023, a majority of Americans are in the dark on the term 'ESG.' Nearly six-in-ten (57%) of the public report being unfamiliar with ESG, or Environmental, Social and Governance. Of those with some familiarity (44%), most tend to be favorable towards the concept.

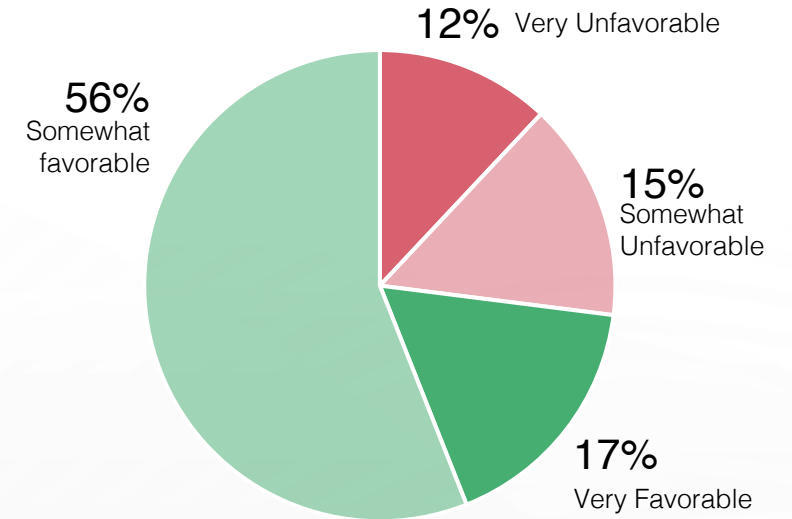
However, reflecting the GOP narrative attacking ESG, familiar Conservative Republicans feel most negative towards the concept (45% unfavorable).

How familiar are you with the term ESG—or Environmental, Social and Governance?



Notably, there is no difference in familiarity across Democrats, Independents, Republicans

[Of those familiar], what is your impression of ESG?



More **Democrats (89%)** say they have a favorable impression of ESG in comparison to other political parties—**Independents (59%)** or **Republicans (61%)**

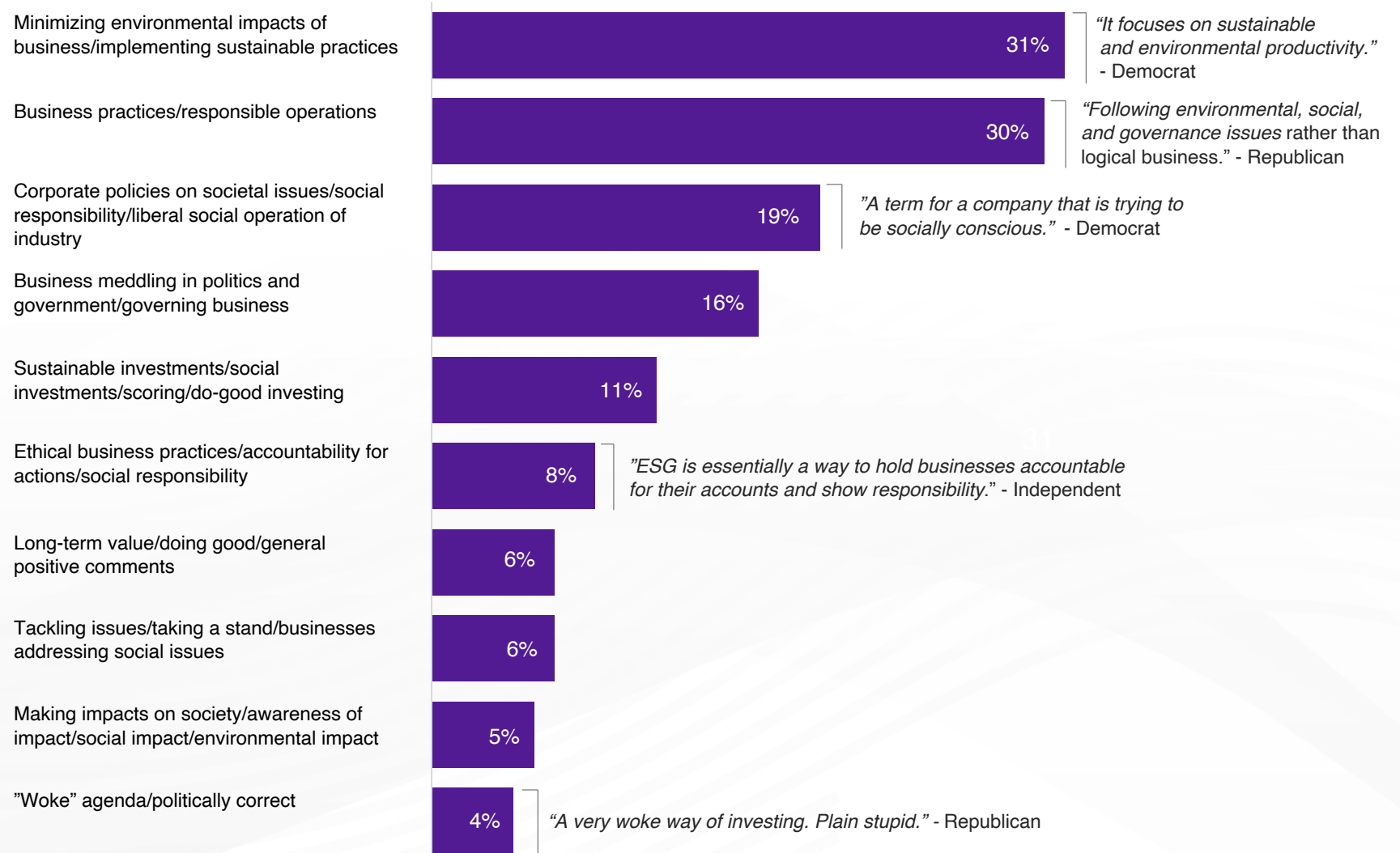
KEY TAKEAWAY:

Definition of ESG unclear—and some perceptions tainted

Americans (44%) reporting some familiarity with 'ESG' have varied definitions of the concept. There is a strong association with reducing a company's environmental impact (31% of responses) and responsible business practices (30% of responses). For others, there is more of a negative connotation with the term—with mentions of business meddling (16%) and corporations having a "woke" agenda (4%).

This data shows that ESG is a deeply misunderstood or unfamiliar concept to Americans. Companies should be cautious in their use of the term and assume it needs to be defined in ways that are relevant to business impact.

How would you describe this term ESG to someone who had never heard of it?

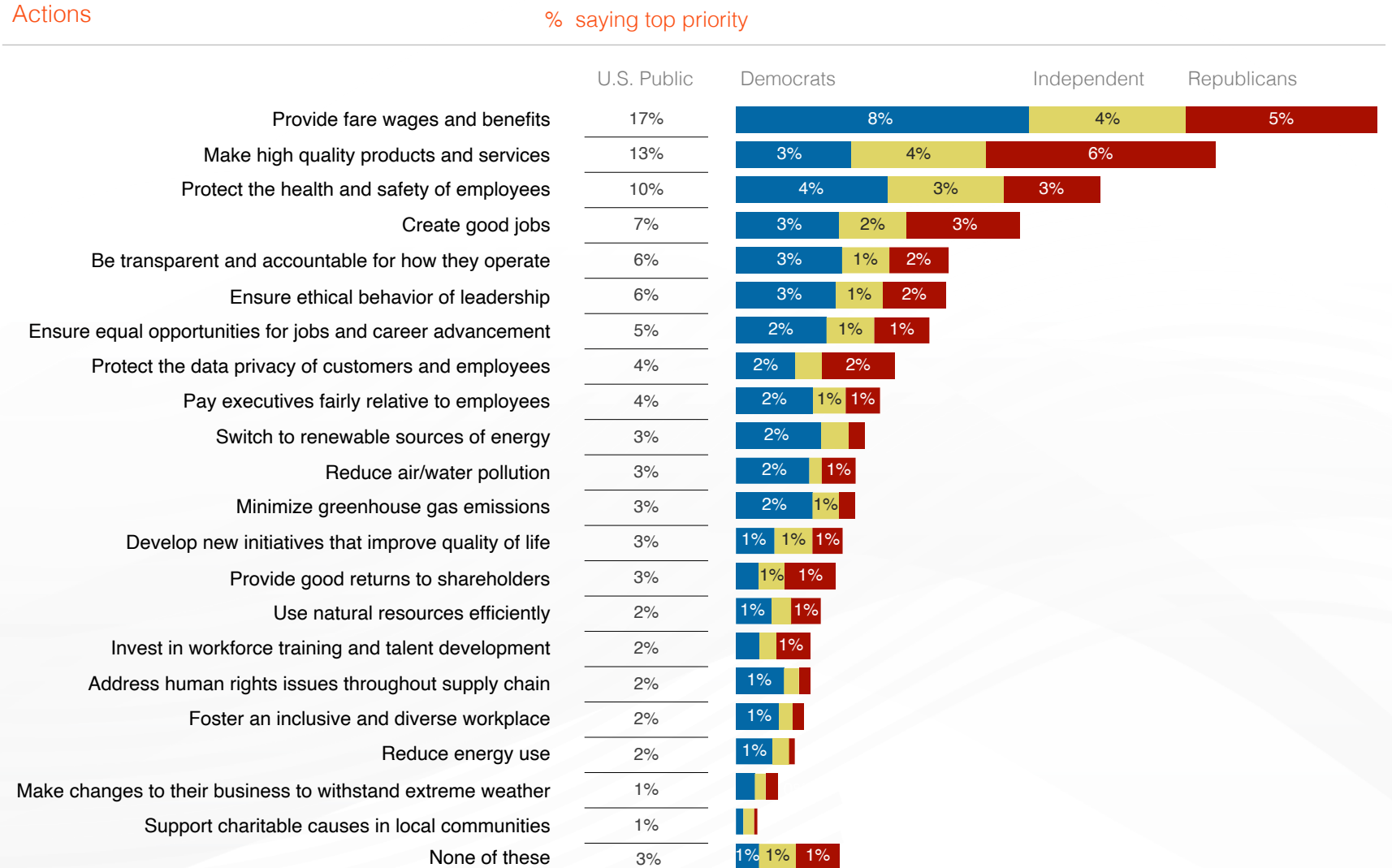


KEY TAKEAWAY:

Americans want companies to prioritize ESG practices—just don't say it

There is broad alignment among Americans and across party lines—that business should actively be addressing ESG issues. When probed on the importance of the 21 ESG actions, three-quarters or more of the public believed the action was important, with average importance of social (89%) and governance (89%) initiatives outpacing environmental (84%) [Data not pictured]. However, when asked to identify the most important priority for a company across ESG, Americans prioritize delivering on social and economic benefits. Of the 21 actions, providing fair wages/benefits, making high quality products, protecting health/safety of employees and creating good jobs are cited the most.

What one action do you think is most important for a company to prioritize?



Only showing data labels for 1% and above

Q3. [ASK ALL] How important is it for companies to do the following...?

Q4. [ASK ALL] For the same list, which do you think is most important for a company to prioritize? Select one

KEY TAKEAWAY:

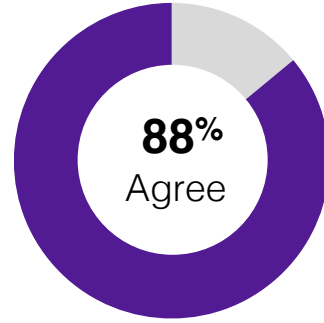
Words matter

There is broad support for ESG as a business strategy but not the term 'ESG.' Across a series of statements reflecting ESG actions, Americans are supportive of companies taking initiative to act in a more responsible way and mitigate risks.

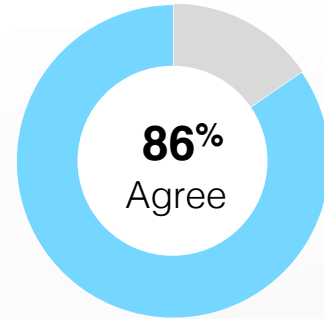
Agreement is much higher among Democrats, but majorities of Republicans agree that companies should have employees with different perspectives (82%), make investments to adapt to unpredictable events (80%) and push for government policies to protect businesses from risks (63%).

As we look ahead to 2023 and increased polarization of the term ESG, companies should focus on the business case and business impact of ESG and ESG issues.

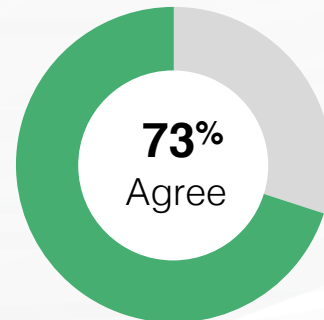
Do you agree or disagree with the following statements?



Companies that have employees with different perspectives and backgrounds can better meet changing customer demands by bringing new ideas to the table.



Companies should be making investments to ensure they can adapt to unpredictable events, such as the COVID 19 pandemic or the impacts of extreme weather.



Companies need to push for government policies that help protect businesses from risks associated with issues like climate change or supply chain disruption.

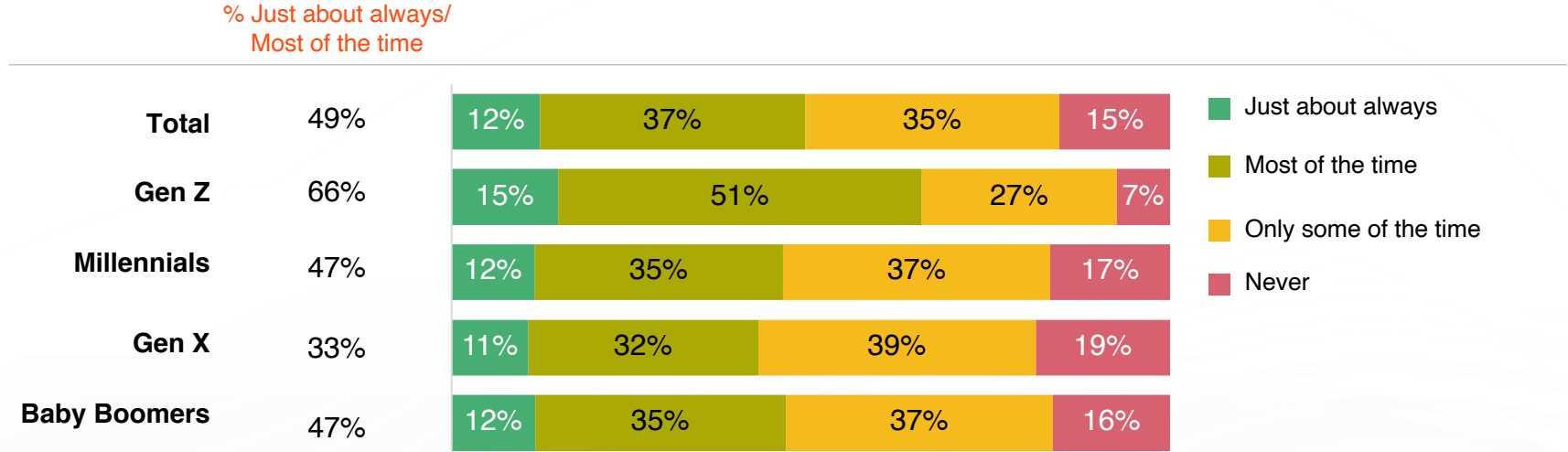
KEY TAKEAWAY:

Shared values may impact tenure—especially for younger employees

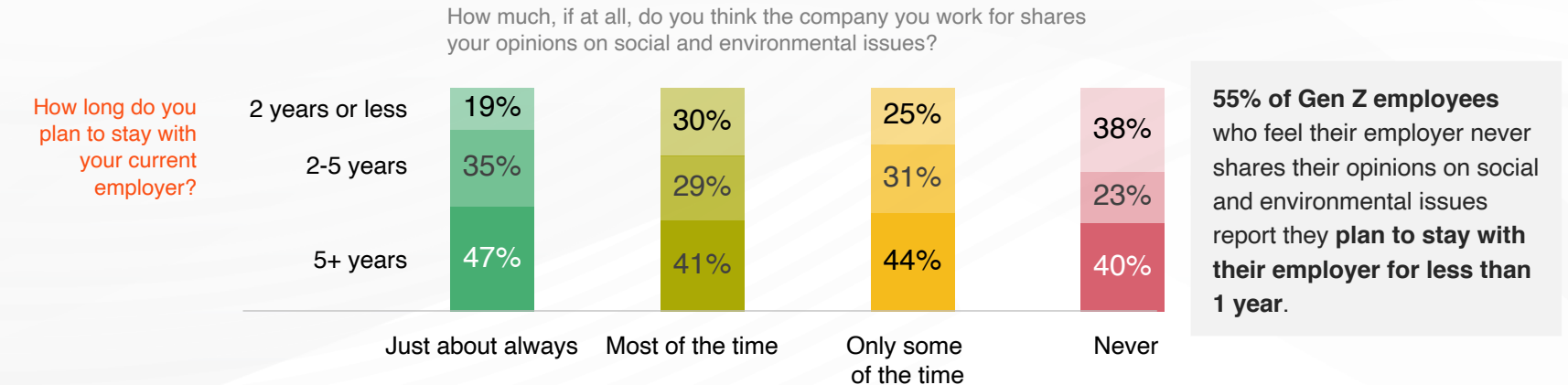
Opinions are mixed when it comes to companies sharing opinions on social and environmental issues with their employees. However, results reveal that cohesion on issue opinions between an employer and employee may positively impact the length of time one stays with their employer. In fact, 82% of employees who report their employer shares their opinions on issues “just about always” plan to stay with their employer for two or more years, versus 63% among employees who believe their employer never shares their opinions on issues.

Interestingly, Gen Z employees are most likely to believe their company shares their viewpoints on issues, with 66% reporting it happens “just about always” or “most of the time.” However, Gen Z is the generation most likely to leave their employer if it never shares their opinions on social and environmental issues.

How much, if at all, do you think the company you work for shares your opinions on social and environmental issues?



Perceived alignment of opinions with current employer by planned length of stay



Want to learn more?

Katie Sprehe

Senior Director, APCO Insight

ksprehe@apcoworldwide.com

Julie Jack

Senior Director, APCO Impact

jjack@apcoworldwide.com