Features

The New Face of Corporate Activism

By Gerald F. Davis & Christopher J. White

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From the Arab Spring to the protests in Baltimore, social movements have become a pervasive feature of contemporary society. Moreover, activists are increasingly targeting companies and even nonprofits. Although this environment creates new challenges for business, it also presents an opportunity for social intrapreneurs to change their companies for the better, from the inside out.

The New Face of Corporate Activism

BY GERALD F. DAVIS & CHRISTOPHER J. WHITE

Illustrations by MIKE REDDY
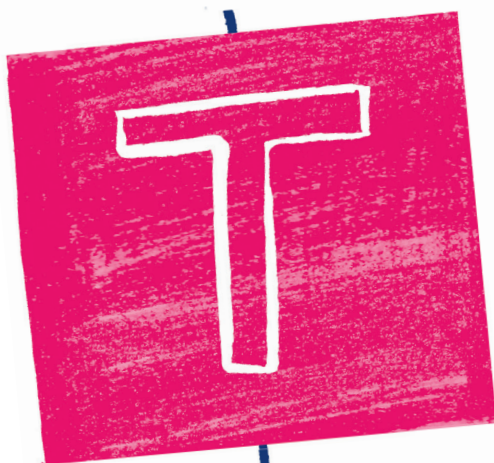
HE ADVENT OF SOCIAL MEDIA and big data have made information about government increasingly accessible. Actions and policies that might once have been private can now be discovered and publicized broadly—for instance, the mass US government surveillance program revealed by Edward Snowden. The same technologies also allow activists to mobilize mass support for social change, as we saw during the Arab Spring.

Social activists are not only taking on government policies, but also, increasingly, putting companies in the spotlight. Starbucks, for example, experienced an unwanted nationwide "Starbucks Appreciation Day" in August 2013, featuring visits from visibly armed gun owners supporting Starbucks' stance on "open carry"— a position the company subsequently reversed due to the response of the public, and its own employees, to the event. Applebee's faced an online social movement in support of a restaurant hostess who was fired after posting a non-tipping customer's bill, which ultimately accumulated thousands of negative posts on social media. And the new CEO of Mozilla was forced to step down after his prior financial support for California's Proposition 8, banning same-sex marriage, inspired protests inside and outside of the company.

Although boycotts and other protests organized by outsiders have been around for years, today employees are among the most vocal activists for change. Employees at General Motors, Ford, and Chrysler persuaded the companies they worked for to adopt domestic partner benefits equivalent to those available to straight employees. Internal activists have pressed companies to reduce their carbon footprints. And Nike cut off ties to suppliers in Bangladesh when they were found to be unsafe, due in large part to employee activists.

Company employees have many reasons to become social intrapreneurs. They have a more sustained interaction with the companies that they work for than do most customers or investors. Moreover, their identity is often at stake in the company's policies and reputation. Anyone who has worked at an organization experiencing a scandal (or even a bad football season) knows that where you work can be a potent source of scrutiny. And millennials are more likely than older workers to be concerned about the social impact of the company for which they work, and also more willing to express those concerns.

Corporations can get ahead of potential protests by being amenable to employee-led movements rather than shutting them down. Employees are likely to be much more in touch with social issues affecting their company than are top executives. Organizations that let their employees' voices be heard without being stifled by "corporate antibodies" will gain an advantage in responding prospectively and thoughtfully to controversies, rather than in response to a boycott or social media storm.

Corporations can also benefit from internal social movements. The choices a company makes on social issues can have an impact on its ability to recruit new

employees, particularly millennials. Creating an environment conducive to grassroots social innovation can also unlock new levels of employee engagement, ideation, and impact, outcomes that are especially desirable in this era of flattening hierarchies and social-media-powered brands.

SOCIAL INTRAPRENEURS ≈ SOCIAL ACTIVISTS

Although many people assume that social activists and social intrapreneurs are different, we have found in our research that they actually have a lot in common. Social intrapreneurs (who rarely use that label to describe themselves) have to do the following: understand the context and timing of their initiative to make sure that it fits with the organization's priorities; frame their ideas in ways that are culturally appropriate and fit with the audience; locate and recruit appropriate allies and sponsors; and use the appropriate tools to organize their initiative. Much the same is true for social activists, from those who were involved in the civil rights movement to those involved in the more recent Occupy movement. In fact, social intrapreneurs and social activists have a lot to learn from each other, especially in the current climate of technology-enhanced activism.

Social activists and social intrapreneurs both operate without the benefit of formal institutional authority in their quest to create what they perceive to be positive change. Social activists campaign for social change by defining the issue, gathering allies, and advancing their cause through a variety of methods.[1] Sometimes it might be a petition, other times a rally, and on other occasions a boycott. Social intrapreneurs, on the other hand, lead change within their own organizations by aligning their social or environmental cause with the company's core business objectives.

Although social activists and intrapreneurs are alike in many ways, the analogy is imperfect. The two main differences between activists and intrapreneurs derive from the contexts in which they operate. First, by operating predominantly in communities (whether online or offline), activists typically have a much broader network of potential constituents and stakeholders than do intrapreneurs operating within organizations. Second, the consequences of upsetting those in power can be markedly different for activists and intrapreneurs. While an intrapreneur who falls into disfavor with an intransigent company risks losing her job, an activist who falls into disfavor with a corrupt or undemocratic government risks losing her life.

It is for this reason that Stanford University professor Debra Meyerson cast intrapreneurs as "tempered radicals." "They occupy all sorts of jobs and stand up for a variety of ideals. They engage in small battles, at times operating so quietly that they may not surface on the cultural radar as 'rebels.' By pushing back on conventions, they create opportunities for change within their organizations. They are not heroic leaders of revolutionary action; rather, they are cautious and committed catalysts that keep going and who slowly make a difference."[2]

IMPACT OF SOCIAL INTRAPRENEURS

There are many ways that a social intrapreneur can change her company's policies and actions and the impact that the company has on the environment and society. The four principal ways are influencing the types of products and services that the company offers, its practices, the way it manages people, and its engagement with the community.

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Products and services | When Nick Hughes was head of Global Payments at Vodafone he began to advocate for a new service called M-Pesa, Vodafone's pioneering mobile-phone-based money transfer and microfinance service. Getting the initiative to market required a deep understanding of the customer, innovative use of technology, and great skill in navigating a complex organization. Indeed, Hughes initially had difficulty securing support from key organizational leaders in Vodafone's product development and approval processes. In the early stages it took much intrapreneurial effort—and creative funding strategies—to accelerate the progress of M-Pesa. By getting the support of a small number of senior executives, Hughes was able to piece together a proposal for nearly $1 million in seed funding from the UK Government's Department for International Development, which was subsequently matched by Vodafone. Today, the service has spread to Kenya, Tanzania, Afghanistan, South Africa, India, and Eastern Europe. M-Pesa has expanded the services Vodafone and its partners can offer to its customers, while extending access to financial services to millions of people who were previously unbanked. Among other contributions, M-Pesa has been praised for reducing crime in primarily cash-based local economies.[3]

Practices | S. C. Johnson & Son is a privately owned company that sells household cleaning products around the world. Five generations of the Johnson family have run the company since Samuel Curtis Johnson Sr. founded the firm in 1886. When Justin DeKoszmovszky worked at S. C. Johnson, he created a program to buy pyrethrum (a flower used in insecticides) from farmers in Rwanda. By creating a stable market for the crop, DeKoszmovszky helped Rwandan farmers increase production and increase their income. At the same time, S. C. Johnson secured a steady supply of pyrethrum for its products. The program developed because of DeKoszmovszky's initiative, but his path was eased because the family-owned and -led company was open to intrapreneurial efforts, particularly those that lead to improving the impact that the company has on the environment. Indeed, S. C. Johnson's chairman Fisk Johnson has spoken openly about his efforts to balance the competing priorities of profit and planet that the company faced when removing chlorine from its product line.

People | Ron Jimmerson, a social intrapreneur at Cascade Engineering, worked with the CEO to develop a program to help long-term welfare recipients transition into the workforce, a program that was good for the participants, good for Cascade, and good for the state of Michigan, where Cascade is headquartered. The program has helped Cascade recruit new employees, reduce employee turnover, and strengthen the corporate culture as a whole. The program illustrates the circuitous path that many social innovations take before becoming adopted. The first iteration of the program, providing bus service to help participants get to work, was

unsuccessful. It turned out that lack of transportation was not the reason former welfare recipients had difficulty getting and holding a job. The idea lay dormant for several years, until version two of the program was piloted. It provided an entry job at a local Burger King, and for those who held that job for a specified period of time, a full-time position at Cascade. The second iteration foundered too because the fast-food job did not pay enough, so people quit before they could progress to a job at Cascade. Again, the program took a hiatus. Finally, in the third iteration, the program succeeded when Cascade hired a full-time social worker to help the participants navigate the diverse and complex challenges that arise when transitioning from welfare into full-time employment. The program has since been replicated by other companies, especially in western Michigan. Its proliferation—and Cascade's catalytic role—was recognized by Michigan governor Rick Snyder in his 2015 State of the State speech: "We've now placed 3,000 people in over 100 companies, with over 70 percent retention. It's made a huge difference in peoples' lives."[4]

Public engagement | IBM has long been known as a company that knows how to identify and train its own executive talent. But it wasn't until Kevin Thompson came up with a proposal for what could be described as a corporate Peace Corps that IBM brought those skills to the community. IBM's Corporate Service Corps places high-potential employees with NGOs and governments in developing countries, providing services that these organizations could not otherwise afford. What started out as a social intrapreneur's somewhat wacky idea has grown to become one of IBM's strategic initiatives. When Thompson first raised the idea, the response was lukewarm at best. Only when IBM's chairman at the time, Sam Palmisano, laid out his vision for a globally integrated enterprise and issued a call for supporting programs, did Thompson find support for his initiative. The program has been a success, even being named one of the 100 stories of innovation from IBM's first 100 years. According to IBM's website, "Since its launch in 2008, the Corporate Service Corps has had a positive impact on the lives of more than 140,000 people outside of IBM through skills transfer and capacity building. Many thousands more have been positively impacted through the services of the organizations the Corporate Service Corps has supported. The Corporate Service Corps program has sent over 2,500 participants on over 250 teams to more than 30 countries around the world."

PLAYBOOK FOR SUCCESSFUL INTRAPRENEURSHIP
Social movement scholars have identified a number of factors that distinguish successful movements from less successful ones.[5] These same factors can serve as a guide to help social intrapreneurs be more effective within their own companies. Conveniently, these factors correspond to four questions: When? Why? Who? and How?

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When? | The first factor describes the prevailing conditions within which innovation and change can occur. Whether one is trying to change an organization or a society, timing and context matter. Time and again we see that even obviously good ideas do not necessarily get adopted just because they are better. For example, putting wheels on luggage seems like a natural and significant product improvement. Yet it did not catch hold for many years due to hesitancy from potential customers who were worried that "real men *carry* their bags."

In a corporate setting, the company's strategy, structure, and culture are the context for innovations and set boundaries around what is possible. Today, organizational change agents have more information at their fingertips than ever before—including about the company in which they are working. An afternoon spent browsing the US Security and Exchange Commission's EDGAR website can provide savvy intrapreneurs with valuable insights. For example, Nike disclosed in its 2014 US Securities and Exchange Commission 10-K filing that one of its risk factors is "significant or continuing noncompliance with such standards and laws by one or more contractors [which] could harm our reputation or result in a product recall and, as a result, could have an adverse effect on our sales and financial condition." This is a signal of opportunity for activists who want to improve worker conditions in the low-income countries where garments are typically manufactured.[6]

Or consider Pfizer's annual shareholder proxy statement for 2014, used to solicit votes for the company's annual meeting The statement describes Pfizer's four strategic "imperatives," including "Earning greater respect from society," and it notes the company's efforts are focused on "successful aging" and providing affordable medicines to the uninsured—promising signs for intrapreneurs focused on issues such as health, well-being, social inclusion, and economic inequality. It also notes that the loss of patent protection for some of Pfizer's blockbuster drugs caused a $7.4 billion operating loss, suggesting that this might not be the most promising time to advocate for costly philanthropy. Similarly, activists can explore Glassdoor.com (a job listing website) to find out which organizational culture issues are most pressing for their company, and start to align intrapreneurial initiatives in a way that will attract greater interest from senior management.

Why? | The second factor refers to the way in which the stories and language used to convey the proposed change are framed. Intrapreneurs often find that storytelling is an invaluable skill for getting their initiatives a sympathetic hearing. For a story to lead to change, however, it needs to be tied to the company's culture, values, and priorities.

Much can be gleaned about a company's culture by astute observation. But there are shortcuts to decoding organizational culture. The choice of language used within the organization, for example,

provides a window into the values and principles upon which the company culture rests. By analyzing corporate documents, such as recruiting materials and annual reports, an intrapreneur can get a sense of the kind of organization that he works for, and the language and rhetorical devices most likely to be influential.

Northwestern University professor Klaus Weber has documented the various "management logics" at play in organizations. A company with a "family logic," for instance, would likely be more receptive to language that emphasizes harmony, tradition, solidarity, endurance, experience, leadership, virtue, wisdom, and legacy. At a company with a "market logic," in contrast, other qualities might resonate, such as competition, demand, winning, price, wealth, fortune, economics, entrepreneurship, and venture.

Information technology tools can help with storytelling. Software for content analysis ranges from the very simple (and free) to the complicated (and more expensive). One example is Yoshikoder, a free program that uses word counts to identify the most prevalent terms in documents that can then be matched with profiles of corporate cultures. When teaching our MBA students, we combine the rudimentary Yoshikoder software with a dictionary Weber developed to diagnose the kind of management logic in use. The number of software tools for change agents is still small, but the next generation of intrapreneurs may well use a suite of apps to support their navigation of the organizational system.

Who? | The third factor is the network of people and organizations that the intrapreneur must enlist to create change. Both decision makers and the system around them need to be on board in order for an intrapreneur to have the best chance of success. Networks are critical for recruiting allies for an initiative, gathering information, locating sponsors for legitimation, and generating momentum through contagion. Through Facebook and LinkedIn, most people are familiar with the idea of social network analysis. The tools of network analysis are now much more accessible than they were just a few years ago. Anyone who can use Excel can be systematic in locating well-connected players and mavens in an organization. With two afternoons of training on a free Excel plug-in called NodeXL, people can learn the necessary skills for network analysis and apply them to create an analysis that 20 years ago would have constituted a multiyear doctoral dissertation project.

Network data can also be gathered informally, by seeing who reports to whom, who have worked together on projects or with common clients, or who eat lunch together. More systematic network data can come from sources like Twitter followers, LinkedIn contacts, membership in affinity groups or alumni clubs, participation in task forces, and email distribution lists.

Once you have the network data, the question becomes: what can you do with it? One of the important things that the data can tell you is who is "central" or important in the network. This is

useful for recruiting allies who will be good at persuading others. There are six different types of centrality:

- Degree: the number of contacts (e.g., how many friends you have).
- In-degree: the number of times you are a *target* of a relation (e.g., how many people seek you out for advice).
- Out-degree: the number of times you are a *sender* of a relation (e.g., how many people you seek for advice).
- Closeness: how few steps it takes to reach everyone else. This can also be measured as average distance (the average shortest path to everyone else in the network).
- Betweenness: the number of times you are on the shortest path between every other pair of nodes in the network.
- Eigenvector: similar to Google's PageRank, it measures the extent to which those you are connected to are themselves well connected.

Network data can also show you the shortest path to decision makers. A visual map of a social network makes it clear whom you should approach to help recruit decision makers.

How? | The fourth factor is about the technological, social, and physical systems that can be used to mobilize action. Networks of African-American churches in the South, for example, were an essential part of the civil rights movement, providing a (relatively) safe space to convene and a communications network for support. Twitter, Facebook, and other social media now play a critical role in mobilizing movements inside and outside of organizations. Tactics such as "die-ins," aimed at highlighting the lack of oversight in police behavior toward racial minorities, rapidly go viral.

Similarly, employee groups can provide a way for allies of an innovation to show their support. Of course, the tactics used by social activists will often look very different from those used by social intrapreneurs. Employee groups self-organizing to improve environmental sustainability outcomes in their company, dubbed Green Teams, will look very different from traditional social movement tactics like boycotts.

Social movements in recent times have often been distinguished by their use of social media to share information and tactics and to organize events. The protests in Cairo's Tahrir Square that precipitated the ouster of Egyptian president Hosni Mubarak were largely organized on a Facebook page, "We are all Khaled Said," created by a Google executive working in the country at the time. There is no question that information and communication technologies greatly reduce the transaction costs for coordinated action, making it easier to mount protests. Yet the same technology can also be used to track down dissidents and their collaborators.

In a corporate setting, we would urge caution before using the company's e-mail or intranet to launch potentially controversial initiatives. In most US states employees can still be fired for being gay, for example. In principle, an unscrupulous

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HR office could use information from a Facebook affinity page for discriminatory purposes. This may be one of those cases where apps like Yik Yak that allow people to communicate anonymously—on your personal phone, not the company's—might be useful.

These four factors—when, why, who, and how—provide a guide for activists inside and outside of companies. Although our informants over the past five years have predominantly worked in for-profit corporations, we have reason to think the skills are transferable to working in nonprofit organizations as well. Indeed, perhaps because of the intense bureaucracy and extensive regulation of certain kinds of nonprofits, the skills needed to exert influence within organizations may be even more valuable than in a corporate setting.

THE HAZARDS OF CORPORATE ACTIVISM

We have spoken with dozens of successful social intrapreneurs who have seen their innovations taken up by their own companies, and sometimes spread to other firms. But other intrapreneurs have found that their efforts were not always appreciated by company executives.

The reasons that companies reject corporate activists' efforts are many and varied. Social intrapreneurship is generally outside of a person's job description, and some managers may ask, "If you have time for this, why aren't you putting more effort into your day job?" In other instances, resistance to social initiatives can take the form of demanding that intrapreneurs "make the business case" for their proposals. Ironically, corporate social responsibility programs have in some instances generated their own backlash in the form of cynicism toward corporate initiatives that appear as mere public relations.

There are also risks in becoming a social intrapreneur. The information technology that makes activism easier also makes it easier for corporations to monitor employee activities in ways that can verge on the Orwellian. Although the revelations about the US National Security Agency's monitoring of e-mail and phone traffic were unsettling, employers have far more intrusive means of tracking activists. Software is readily available to continuously monitor e-mails, phone calls, and text messages. Whatever you do on the company's premises, or using the company's phone, computer, or e-mail server, are fair game.

In the financial services industry, for example, compliance management can include analyzing the content and emotional tone of communications, looking for patterns in the "To" and "From" lines in e-mails, and assessing employee networks for suspicious groupings. Of course, the activities of social intrapreneurs—such as breaking down silos to gather supporters to support a new initiative—can look highly suspicious to an algorithm. And nonstandard e-mails can get social intrapreneurs flagged for a visit by HR.

THE TIDE IS WITH SOCIAL INTRAPRENEURS

In spite of the hazards of being an activist within a company, we believe that the tide of history is with social intrapreneurs. Today, we are seeing exciting developments on issues such as raising the minimum wage. Aetna's bold step to raise the wages of its lowest-paid employees was laudable. And now even a traditionally late adopter like Wal-Mart is taking steps to raise the wages of its store employees. Although not yet ubiquitous, social impact initiatives are increasing and have the potential to spread across companies and geographies.

Take, for example, domestic partner benefits for LGBT employees. When Lotus Development adopted this benefit in 1992, it was the first US public corporation to do so. At the time, domestic partner benefits were a fairly radical idea, and only a handful of firms, typically in creative or technology industries, were willing to adopt them. The reasons for caution were many. Would the benefits be expensive? Would they alienate customers? Would they alienate straight employees? Even some companies that explicitly marketed to the gay community were wary of providing benefits to domestic partners.

Now consider domestic partner benefits from the perspective of a social intrapreneur at the time. The idea was unfamiliar and potentially risky. Being identified as an activist was not necessarily a great career move. And finding allies within the company posed risks. At that time it was legal in most states to fire employees for being gay, so there could be real costs for being an out supporter. Yet the costs for failing to adopt were quite vivid to the many families who lacked sufficient health insurance and legal rights.

Through the efforts of social intrapreneurs, who often shared best practices across companies, more and more companies followed Lotus's lead and adopted domestic partner benefits. And in 1999, General Motors, Ford, and Chrysler, through the efforts of the United Automobile Workers union, all adopted the benefit. These benefits had now tipped from being radical to being relatively mainstream. By 2013 even Wal-Mart—America's largest employer by far—was compelled to adopt domestic partner benefits after finding that it was almost the last large retailer to do so. The early actions of social intrapreneurs ultimately changed the shape of corporate America and its standards about whose families count.[7]

The world changes, and business has to change as well. Companies that fail to reflect the social values and priorities of their workforce and their customers are unlikely to thrive. Information about companies and their policies is increasingly transparent. Customers can now use the Buycott app to scan bar codes and determine if the product they are considering buying aligns with their values, from labor practices to whether it contains GMOs. The political contributions that sank the career of Mozilla's erstwhile CEO are public record and easily accessible. Smart companies will enable their employees to help guide them on these important social issues, a role for which social intrapreneurs are well suited. ◾

NOTES

1   http://www.vocabulary.com/dictionary/activist

2   Debra Meyerson, "The Tempered Radicals," *Stanford Social Innovation Review*, Fall 2004.

3   http://idrisbello.com/2012/01/27/an-afternoon-with-an-m-trepreneur-nick-hughes -founder-m-pesa-mobile-money-platform/

4   https://www.youtube.com/watch?v=ByERN9oTLv4

5   The study of social movements is a fairly large area of sociology and political science. We have been particularly influenced by the work of Mayer N. Zald, John McCarthy, Doug McAdam, and Charles Tilly. An excellent introduction to the area is David Snow and Sarah Soule's book, *A Primer on Social Movements*, New York: W. W. Norton, 2009.

6   http://www.sec.gov/Archives/edgar/data/320187/000032018714000097/nke-5312014x10k.htm

7   Maureen A. Scully and W.E. Douglas Creed, "Subverting Our Stories of Subversion," in Gerald F. Davis, Douglas McAdam, W. Richard Scott, and Mayer N. Zald, eds., *Social Movements and Organization Theory*, New York: Cambridge University Press, 2005; Forrest Briscoe and Sean Safford, "The Nixon-in-China Effect: Activism, Imitation, and the Institutionalization of Contentious Practices," *Administrative Science Quarterly*, 53, 2008, pp. 460-491.