

How Companies Decide When to Engage

PATRICK M. WRIGHT

DONALD J. SCHEPKER

ANTHONY NYBERG

ADAM STEINBACH

MARCIA AVEDON

ADAM BAILEY





Tim Richmond: Chair

Executive Vice President and Chief Human Resources Officer AbbVie

Marcia Avedon: Executive Director

Former Executive VP, Chief Human Resources, Marketing & Communications Officer Trane Technologies

Lucien Alziari

Executive Vice President and Chief Human Resources Officer Prudential Financial, Inc.

Melissa H. Anderson

Executive Vice President & Chief People Officer Albemarle Corporation

Kevin Cox

Chief Human Resources Officer, GE; and Chief Administrative Officer GE Aerospace

Mike D'Ambrose

Chief Human Resources Officer Executive Vice President, Human Resources The Boeing Company

Darrell L. Ford

EVP, Chief Human Resources Officer and Chief Diversity, Equity & Inclusion Officer UPS

Anita Z. Graham

Executive Vice President and Chief Human Resources Officer Labcorp

Tim Hourigan

Executive Vice President, Human Resources The Home Depot

Katie O'Connell Jones

Senior Vice President and Chief Human Resources Officer Fannie Mae

Pam Kimmet

Chief Human Resources Officer Manulife

Ernest W. Marshall

Executive Vice President and Chief Human Resources Officer Eaton

Christine Pambianchi

Executive Vice President and Chief People Officer Intel Corporation

Carol Surface

Chief People Officer Apple Inc.

SENIOR STRATEGIC ADVISORS:

Dennis Berger

Suffolk Construction (retired)

Ken Carrig

SunTrust Bank (retired)

Jim Duffy

CIT Group, Inc. (retired)

Rich Floersch

McDonald's (retired)

Mirian Graddick-Weir

Merck & Co., Inc. (retired)

Cynthia Trudell

PepsiCo, Inc. (retired)

Perry Stuckey

Eastman Chemical Company (retired)

UNIVERSITY OF SOUTH CAROLINA FACULTY ADVISORS:

Anthony J. Nyberg - CES Director

Distinguished Moore Fellow Professor

Cori Jones

Administrative Coordinator

Audrey Korsgaard

Professor

Director, Riegel and Emory Center for Human Resources

Robert Ployhart - CES TLN Chair

Carolina Distinguished Professor Bank of America Professor of Business Administration,

Director, Masters of Human Resources Program

Donald J. Schepker - CES Research Director

Associate Professor Moore Research Fellow

Adam Steinbach – CES Academic Research Director

Associate Professor

Patrick M. Wright

Thomas C. Vandiver Bicentennial Chair Professor and Chair of Management Department



EXECUTIVE SUMMARY

Companies today increasingly feel pressured to take public positions on potentially divisive sociopolitical topics. Whether they choose to stay silent on these issues or weigh in, they face significant risk. The 2023 HR@Moore Survey of CHROs explored how companies typically go about making decisions in this arena, before focusing on how they responded to a specific issue – the Supreme Court's recent *Dobbs v. Jackson* decision overturning *Roe v. Wade* regarding abortion rights in the U.S.

The report shows that most companies have developed either formal or informal criteria to evaluate whether or not to take a public position on some politically or culturally divisive issue. The most important criteria focus on the extent to which the issue is aligned with the business's strategy, values, and reputation. CHROs also indicated that employees seem to be the stakeholder group exerting the greatest pressure for companies to engage around divisive sociopolitical issues. Finally, most companies reported that they expect to stay the same or reduce the frequency with which they seek to engage publicly around controversial topics.

The *Dobbs v. Jackson* case provided a recent example of a concrete, high-profile issue that prompted many companies to engage, so we asked CHROs to report how they responded to the Supreme Court's decision. Our results indicate that companies were far more likely to issue internal statements than external statements, and those statements often emphasized existing commitment to and resources for women's health services. Companies that issued such responses most frequently did so within the first 3 days after the Supreme Court's decision was announced, demonstrating a balance of commitment to this issue but with some caution. In contrast, external statements were either immediate, asserting these companies' strong commitment to the issue, or delayed 4 or more days, perhaps signaling responses formulated in response to pressures placed on the company to say something.

The 2023 HR@Moore Survey of CHROs sought to examine how CEOs, CHROs, and organizations are attempting to thread the needle between accommodating employees and other stakeholder groups who want companies to be publicly vocal around sociopolitical issues while avoiding potential blowback from others who may be more reluctant. We explored how they go about deciding whether or not to take a stand, who is involved in the decision, and how they see these decisions going forward. In addition, we asked whether the need for CEOs to walk this tightrope is impacting the kinds of competencies being evaluated among potential successors. Finally, we explored the specifics of how companies responded to a recent sociopolitical issue with the Supreme Court's Dobbs decision overturning *Roe v. Wade*.

Thank you for your interest in our research.

To gain access to the full report, "NAVIGATING THE POLITICAL AND CULTURAL LANDSCAPE: How Companies Decide When to Engage" please contact CES@moore.sc.edu and provide your name, title, and company for which you work and we will send you the full report in PDF format.



Learn more about the <u>Center for Executive Succession</u> (CES) in the Darla Moore School of Business at the University of South Carolina. Our corporate partners have *exclusive first access* to research conducted by the Center. We are celebrating 10 years of research excellence and now is the perfect time to join our growing roster of prestigious <u>corporate partners</u>.

OUR PURPOSE

The Center for Executive Succession provides a forum for exploring and sharing experiences and learnings regarding executive succession, which is increasingly one of the board's top governance priorities. Our partners have the opportunity to contribute to sound research that challenges the status quo and is empirically driven to further the success of C-suite succession.

OUR MISSION

The mission of the Center for Executive Succession is to be the objective source of knowledge about the issues, challenges and best practices regarding C-suite succession, and to advance the identification, development, selection and transition of executive and board talent.

CES seeks to appeal to board members, CEOs, CHROs and other C-suite members by providing state-of-the-art research and practice on executive succession. It does so through a) conducting innovative research projects, b) organizing interactive events, c) disseminating academic research findings, and d) delivering educational programs for all stakeholders engaged in executive succession. The corporate/academic collaboration between CES and its partner companies generates credible, unique and unbiased knowledge to further the effectiveness of executive succession practices in firms.

TEAM OF AUTHORS



PATRICK M. WRIGHT

Thomas C. Vandiver Bicentennial Chair Chair, Management Department

patrick.wright@moore.sc.edu



DONALD J. SCHEPKER

Associate Professor Moore Research Fellow Research Director, CES

donald.schepker@moore.sc.edu



ANTHONY J. NYBERG

Professor Distinguished Moore Fellow Director, CES

anthony.nyberg@moore.sc.edu



ADAM STEINBACH

Associate Professor Academic Research Director, CES

 $\underline{adam.steinbach@moore.sc.edu}$



MARCIA AVEDON

Executive Director, Center for Executive Succession

mjavedon@gmail.com



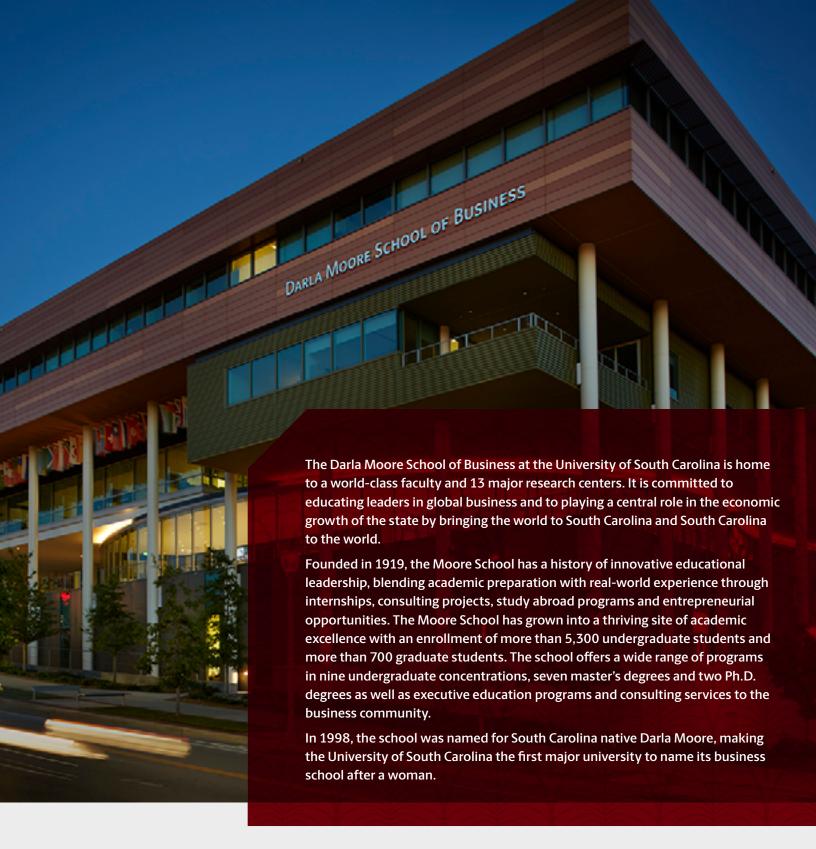
ADAM BAILEY

PhD Student, Philosophy USC College of Arts and Sciences

adb11@email.sc.edu

The Center for Executive Succession serves as an independent, objective source of knowledge regarding C-suite succession practices. The center provides a forum for corporate leaders to shape the future direction of succession practices, which are increasingly one of the board's top governance priorities. Our partners have the opportunity to contribute to cutting-edge research that challenges the status quo and is empirically driven to further success in C-suite succession planning. For more information or to inquire about potential membership, please visit our website or contact us at sc.edu/moore/ces.

This research was supported by the Center for Executive Succession, Darla Moore School of Business, University of South Carolina. All conclusions and/or errors, however, are solely the responsibility of the authors.





Center for Executive Succession 1014 Greene Street Columbia, SC 29208 803-777-7819 <u>ces@moore.sc.edu</u> sc.edu/moore/ces

sc.edu/moore

The University of South Carolina does not discriminate in educational or employment opportunities on the basis of race, sex, gender, age, color, religion, national origin, disability, sexual orientation, genetics, veteran status, pregnancy, childbirth or related medical conditions.