

WHY SILENCE IS NOT GOLDEN FOR CEOs

Corporate leaders know harmony, not divisiveness, is in the interest of society and business.

BY JEFFREY SONNENFELD

THE HARMONIOUS SONG “Silence Is Golden” was a 1964 hit for The Four Seasons and again in 1967 for the Tremeloes, but it sounds flat to CEOs. CEOs don’t like being told by politicians to fork over campaign cash, yet muzzle their voices.

Senate Minority Leader Mitch McConnell warned CEOs, “If I were representing a business, I’d stay out of politics,” before later walking back those words. By contrast, when Dell Technologies founder Michael Dell was asked to address voter suppression in Texas, he responded, “If a CEO cannot speak out in favor of voting rights, when can you speak out?” Hundreds of CEOs from tech to transportation, pharma to finance, manufacturing to retail, professional services to healthcare have joined that chorus.

This April, I convened 90 major CEOs, with just 48 hours’ notice, to discuss their shared concern about voter suppression. They joined with surprising enthusiasm and determination to support one another in defiance of critics like Senator Ted Cruz, who taunted, “Go woke, go broke.”

Three days later, despite politicians’ threats of punishment from regulatory reprisals and tax penalties, roughly 500 major employers enthusiastically joined forces with Merck CEO Ken Frazier and former American Express CEO Ken Chenault to condemn the legislative tidal wave of election security initiatives washing into 47 states. CEOs spanning industries and ideologies widely interpreted such political moves as thinly veiled attempts at voter suppression.

CEOs are not politicians and can’t be driven to address all social issues. Plus, their authority is based on the resources of their shareholders. Harvard Business School professor James Heskett questioned CEO voices on social issues in his article “Where Does CEO Activism Go

From Here?” He asked, “It is not about where you stand on the issues of voting rights, or gun safety, or immigration, or climate change, or others being debated in state legislatures across the country. It is instead about CEO representation on such matters. When they identify with their corporations, do CEOs assume that



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they are representing them?”

This is not a difficult question to answer. CEOs and boards exercise their voices drawing upon their business judgment every day, every hour and over a sea of options on all other fronts. They do not conduct shareholder referendums on what products to offer, what financial instruments to rely upon or which global markets to enter. These social issues are also key elements of the strategic context of business.

Business leaders believe that so-

cial harmony, not divisiveness, is in the interest of society and their businesses. They don’t want angry communities; they don’t want fractious, finger-pointing workforces; they don’t want hostile customers; they don’t want confused and angry shareholders. The voting ownership of most public companies, the institutional investors ranging from BlackRock and CalPERS to State Street and Vanguard agree.

Forty years ago, in my first book, *Corporate Views of the Public Interest*, I revealed the values of the founding generation of the Business Roundtable. Business leaders are far less parochial than some who court their vote presume. They are largely pro-sustainability and pro-trade. Most importantly, U.S. corporate leaders are not nativists or xenophobes. They are not isolationists, protectionists, bigots or authoritarians. They believe in global trade and free markets supported by faith in our democracy.

All surveys show the nation overwhelmingly favors expanding voter access. As Chenault said, “It’s absolutely the responsibility of companies to speak up, particularly on something as fundamental as the right to vote.” Ann Mukherjee, the CEO of Pernod Ricard, added, “CEOs need to act. Sitting on the sidelines isn’t possible anymore for any leader. We are all in the fray. We’re in the fray because we work in a social microcosm that intersects with our business.”

Silence is not golden if it enables social disharmony. **CBM**



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