

# MONTFORT

## Employee activism or advocacy? Engagement is the key

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It is difficult to look at the media these days without reading about environmental, social or governance (ESG) issues. [The Economist](#) had a striking cover in recent weeks highlighting the ‘climate emergency’, while the [Financial Times](#) has committed to working towards a new form of ‘social’ capitalism. Our partner Tortoise Media has also launched the Beta version of its [Responsibility100 Index](#), which will report back in January 2020.

But these issues are not just being played out in the media: this is a live issue at Boardroom level and the wider workplace. At Montfort we hosted a recent event exploring the topic of ‘Leadership, Capitalism and the Changing Social Contract’.

There was broad agreement that the debate has widened well beyond the interests of company shareholders. There is now increased scrutiny of ESG issues from a broader range of stakeholders - including employees.

Engaging employees around ESG issues creates significant opportunities not least building an employer brand which attracts ‘purpose’ conscious millennial talent into the organisation. Indeed, it is employees who know the organisation best and who will be best able to judge the authenticity of any ESG-related commitments.

It is therefore essential that the company has a compelling, credible overarching narrative on ESG issues. If employees fully understand and believe in the company’s policies and views on key issues, they are going to be better able to explain it to customers and the communities in which the company operates. It creates an opportunity to showcase the great work the company does – building pride and advocacy.

In order to build credibility with employees (and wider stakeholders) a company must be able to demonstrate that its policies are backed up by real action. Building a repository of data points and case studies is essential to avoid the accusation of ‘greenwashing’.

And while employees have the potential to be your biggest advocates, they can also be your biggest critics. We have seen an increase in employees publicly protesting at actions taken by their employer with particularly high-profile examples at [Google](#) and [Wayfair](#). Clearly there is a mismatch in those companies between how leaders have talked about social purpose and ESG issues, and how those employees then expect the company to act.

This ‘Employee Activism’ reflects the febrile political environment in the outside world, and there seems to be growing evidence of the divisions in society being played out in the workplace. This therefore presents a significant commercial, and indeed, reputational risk.

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Effectively engaging employees is an essential element in helping to mitigate those risks and minimise business disruption. This requires the corporate bravery for leaders to listen to and address the criticism directed at the company by employee activists, while at the same time building employee advocacy, which in turn helps wider stakeholders understand that your business is a good corporate citizen.