Business & Politics Do They Mix?





Introduction

EVER SINCE FRANKLIN D. ROOSEVELT enacted a whirlwind of legislation in his first 100 days in office, the 100-day mark has been a yardstick of presidential progress. And there is no shortage of things to examine in a Trump administration. Reports detail everything from whether the president is fulfilling his campaign promises to how many executive orders he has issued to how many days he's spent on the golf course. Of interest to those of us at Global Strategy Group (GSG) tasked with protecting our clients' reputations is the president's relationship with corporate America.

Since the election, Trump has not hesitated to weigh in on corporate actions, most often chastising companies for business decisions he finds offensive or for expressing a point of view on social and political issues that he does not agree with.



In this new and unpredictable environment, companies are left wondering how to navigate the landscape to protect both their reputation and their bottom line.

Navigating Today's Highly Charged Environment: With Him or Against Him, or Both?

IN TODAY'S HIGHLY CHARGED, highly partisan environment, it can seem like there is little room for compromise. Since the election, partisan and political divisions have reached new heights: 77% of Americans believe the country is split over the most important values, while just 21% see Americans as united (Gallup, November 2016).

The truth, however, is that when it comes to companies navigating the new administration, it is not so black and white. Companies have a broad array of issues that affect their employees, their consumers, and their bottom line, and their positions on those issues may sometimes be at odds with the administration, but not always.

Overall, Americans understand this nuance. Our survey found that 53% of Americans say corporations should work against the administration sometimes and work with the administration at other times; one quarter (26%) say corporations should work with Trump "all of the time" and 22% say corporations should never work with the president. In fact, those companies that "sometimes support" and "sometimes oppose" Trump administration policies are viewed as being "fair" and "responsible" by Democrats and Republicans alike.





"Mark Zuckerberg and Facebook execs are speaking out about Trump's victory – and they don't sound happy"



"Boeing boss welcomes Trump's Twitter 'engagement' with US business"



Of course, staking out positions at the poles may also be what is best for a company's employees, their consumers, and their bottom line. In fact, our previous research suggests that there is room for companies to take more partisan positions if it is authentic to who they are.

To that end, companies with more conservative stakeholders may benefit from a go-along-get-along approach (50% of Republicans say companies should work with the Trump administration "all of the time") while those with a more progressive bent may benefit from a more disciplined resistance (34% of Democrats say companies should work with the Trump administration "none of the time.")

In fact, Democrats have high praise for those companies who publicly oppose Trump administration policies, seeing such companies as "moral," "responsible" and "bold."

The bottom line: companies must know their audiences and know their issues. For some, it may be all or nothing. But for others, this survey tells us that partisans on both sides show a willingness to collaborate where it makes sense.

This is how people describe companies who...

Sometimes support, sometimes oppose Trump administration policies



Publicly support Trump administration policies





Publicly oppose Trump administration policies





Knowing Your Audience: Motivation Matters

AS WE HAVE SEEN in previous Business & Politics studies, Americans are increasingly willing to accept corporations speaking out on a range of issues – even when they are controversial. And Americans' appetite for corporate activism is growing and broadening. In many cases, it's also the motivation that matters. Why companies take the position they take can be just as important as the position itself.

Americans are willing to accept corporate activities in support of consumers, in defense of employees, and even to benefit the bottom line. As we saw in our earlier research, Americans have come to fundamentally understand taking a stand on issues is not a zero-sum game: companies can both "do good for good" and do good for business (72%).

Even when dealing with today's divisive climate, this principle stands. Democrats are willing to accept a company's support of the Trump administration, particularly if it is to the benefit of their community, (73%) customers (70%), or employees (69%). Likewise, Republicans tolerate opposition if it serves these groups.

To be authentic, and to most safely navigate the issue space, companies need to explain both the "what" and the "why."

When is it okay for a company to support the Trump administration? If it helps the/their:



When is it okay for a company to oppose the Trump administration? If it hurts the/their:





About the Study

Global Strategy Group's Business and Politics Study has become the authoritative voice on the role that businesses play in the political and social discourse and how this impacts brand perception. The study has been cited by leading media outlets such as the *Wall Street Journal, Money, Business Insider, Politico, BuzzFeed,* and others.

GSG conducted a public opinion survey among 803 adults 18 years and older between March 28 and April 3, 2017. The survey was conducted online recruiting respondents from a leading opt-in online panel vendor. Special care was taken by GSG to ensure that the demographic composition of our sample matched that of the adult population on a series of demographic variables including age, gender, region, ethnicity, income, educational attainment, partisan affiliation, and political ideology. This study may be downloaded at globalstrategygroup.com.

About GSG's Corporate Impact Practice

GSG's Corporate Impact Practice helps corporations build and protect their brands, reframe their corporate social responsibility (CSR) programs, and manage business implications in the new political environment.

For more information contact:

Tanya Meck

Partner, Managing Director Co-Lead, Corporate Impact tmeck@globalstrategygroup.com

Julie Hootkin

Partner
Co-Lead, Corporate Impact
jhootkin@globalstrategygroup.com