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## The Best Choice For Business Leaders Is Social Good

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*Paul Klein helps businesses benefit from solving social problems*

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Oct 2, 2024, 08:59am EDT

Updated Oct 2, 2024, 10:34am EDT



Actress and activist Angelina Jolie at a news conference to announce a bipartisan update to the ... [+] COPYRIGHT 2022 THE ASSOCIATED PRESS. ALL RIGHTS RESERVED

It's hard to imagine a time when being socially responsible is as difficult for business leaders as it is today.

According to the new [2024 Bentley-Gallup Business in Society Survey](#), businesses are caught in a presidential campaign and political climate where it is increasingly difficult to find common ground. "They are trying to navigate these disruptive cultural, social and political trends while responding to the opinions and expectations of the American public," according to the report.

The findings reveal the public's varied expectations with respect to the societal issues that they believe are most important. "While most people would like businesses to take a leading role and speak out on policy areas such as climate change (54%), diversity, equity and inclusion (53%), and mental health (53%), in other areas the message from Americans to companies is clear: 'Stick to business,'" writes E. LaBrent Chrite, *President, Bentley University*.

In this context, businesses that have established themselves as being committed to social responsibility are in a quandary about how to proceed in this space. Rather than alienate employees, consumers and citizens, many corporations have decided to avoid the risk of criticism by continuing environmental and social initiatives without publicly endorsing what they are doing. Others are stepping back from these commitments entirely according to the 2024 Edition of [Investing in Society](#), a report by Chief Executives for Corporate Purpose.

In the US, new laws are preventing corporations from making progress on social and environmental change. In 2023 lawmakers in [47 states proposed](#) anti-ESG legislation. Indiana, [prohibits state pension money from investing in ESG](#) assets, and Alabama, [prohibits government contracts](#) with companies that boycott certain industries (e.g., fossil fuels) or companies based on ESG criteria. Further, anti-ESG consumers that have made headlines for [boycotting Bud Lite](#) for paying a [transgender influencer to endorse the beer](#) and [criticizing Chik-fil-A for its DEI policy](#) are causing corporations to think twice before taking a stand on issues where opinions of employees and consumers may be divided.

Globally there has been a decline in social progress that may be exacerbated if more corporations hit pause on ESG initiatives. The U.S., UK, Syria and Venezuela are the only four countries in the world to have gone backwards over the last 12 years according to the [Social Progress Index](#). Out of 170 assessed countries, America ranks 61st for maternal mortality, 70th for personal safety (behind Kazakhstan and Saudi Arabia), 74th for mortality in the 15-50 age bracket (behind Iran and Bangladesh), and 89th in terms of ensuring equal access to quality healthcare, despite the highest spending on health in the OECD.

The potential for business to be a force for good is at a crossroads. On the one hand, there is a very real possibility that years of progress regarding the ways corporations contribute to, and benefit from, making the world a better place may be in jeopardy. On the other hand, this is an opportunity for business leaders to address the areas of impact and change that are the highest priorities for employees, consumers and other stakeholders.

The good news is that the bar is low, the opportunity is high, and the priorities of employees and consumers are clear. According to the Bentley-Gallup report, these priorities are businesses making money in ethical ways (79%), providing high-quality healthcare benefits to employees

(71%), offering mental health benefits (56%), avoiding major pay gaps between CEOs and workers (56%) and offering flexible work arrangements (52%). In terms of social issues at least half of Americans are interested in businesses taking a stance on climate change, mental health and diversity, equity and inclusion. However, less than half of Americans think businesses are doing an excellent or good job in any of the areas to which they have attached the highest importance.

Here are three things that businesses can do to help to solve social problems in ways that transcend political and cultural polarization.

First, leaders can target the social issues that are most important to employees and consumers and use the power of their businesses to make meaningful change. For example, with respect to mental health, [recent research by Deloitte](#) shows that Gen Zs and millennials, who make up the vast majority of the working population, are particularly impacted, with 40% of Gen Zs and 35% of millennials feeling stressed or anxious all or most of the time and nearly half experiencing workplace burnout. In response, JPMorgan Chase implemented a [well-being application](#) where employees can share how they feel that day and get connected to support if they are experiencing major changes in stress.

Businesses can also be more directly involved in influencing the legal and regulatory context for social and environmental initiatives that impact everyone – regardless of political affiliation or ideology. Beyond business lobbying which is generally regarded as a self-interested, morally dubious activity, there is a growing movement of “[Lobbying for Good](#)” that is focused on systemic change and social impact. One example is Mary Kay’s lobbying for the Violence Against Women Act. The company leveraged its reputation among women and its relationships with government to increase funding for women’s issues. In return, it experienced a boost in employee morale and strengthened relationships with elected officials according to the [Stanford Social Innovation Review](#).

The Bentley-Gallup report suggests that in turbulent times like these, the first and most important steps for leaders to determine a strategy are to ask questions, listen and learn. This is good advice that can be taken to the next level by creating opportunities for employees and consumers to contribute to social innovation and change directly. [Citizen Engagement](#) is a largely untapped approach for business that can be used to bring diverse groups of people can be brought into the process of co-creating innovative solutions to social challenges.

These ideas are neither quick nor easy fixes. Each requires a commitment to change that is far more substantive than what is generally practiced. (What I described as in my book [Change for Good](#) as “CSR Lite”)

Will businesses revert back to the theory of Milton Friedman which suggested that abiding by laws and regulations and making a profit for shareholders were the only measures of success for a responsible business? Or, will corporate leaders seize the opportunity to do a better job at moving the needle on the issues that employees and consumers have said are most important?

“I know that these are challenging times,” says Chrite. “But I’m also a big believer in the power of business and its potential as a powerful force for good.” I couldn’t agree more. I’m also certain that the business leaders who side with social change will come out on top.



Paul Klein

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Paul's purpose is to make the world a better place with Impakt and the Impakt Foundation for Social Change. He is a social entrepreneur, advisor, journalist and author with over 25 years of experience in contributing to social change. In 2002 he founded Impakt to help corporations and civil society organizations contribute to social change. Paul and is also founder of the Impakt Foundation for Social Change, a charitable organization that helps newcomers succeed. Paul contributes to Forbes on leadership strategy, and has written for the LSE Business Review, The Guardian, and the Stanford Social Innovation Review. His book, *Change for Good: An Action-Oriented Approach for Businesses to Benefit from Solving Social Problems*, was published in 2022. **Read Less**