

Corporate Political Responsibility Taskforce

Expert Dialogue with Cecily Joseph

Cecily Joseph - Module #1

Elizabeth Doty: Thank you for joining us. My name is Elizabeth [07:44:00] Doty, and I'm the director of the Corporate Political Responsibility Task Force at the Erb Institute at University of Michigan, and I'm delighted to be moderating today's conversation with Cecily Joseph. The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute.

A 25 year long partnership between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas. Teaching and Learning.

Business engagement with groups like the CPRT and scholarly and applied research. The CPRT's mission is to help companies better align their approach to political influence with their commitments to purpose and values, sustainability, and stakeholders. As we're seeing, corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.[07:45:00]

I'm really delighted to have Cecily as our thought starter today and with many credentials to her name, Cecily Joseph is a nonprofit and advisory board member, a lawyer and a sustainability executive who has been recognized as a thought leader and an influencer around societal and environmental responsibility, ethics and diversity.

So a lot of, of intersecting expertise here that will be useful to the conversation as we're talking about addressing structural inequality and the need for thought leadership in the boardroom. She has over 30 years in corporate settings, building and managing programs and teams in ethics and compliance, strategic philanthropy, community relations, environmental sustainability, diversity and inclusion.

I'm gonna have to cut this short.

Cecily Joseph: That's good. That's okay. You can stop right now.

Elizabeth Doty: Well, I want a couple of things I want to get on the map, but there's when we first met chief diversity officer, vice president of corporate responsibility and global head of ethics and compliance at [07:46:00] Symantec. She currently serves on the board of directors of mercy core.

And as you so. Which is a shareholder advocacy group holding companies accountable for their commitments and as an adjunct faculty and advisor to the Presidio Graduate School, leading the initiative for equity and social justice there, and she's been recognized as a most influential person in business ethics by ethosphere.

And received the C. E. D. A. W. Award for human rights from the city of San Francisco Commission on the status of women. So I just, I know where this is just going to be the start of a very valuable conversation.

We're going to talk about this idea of policy and political and civic sphere. As it relates to systemic racial inequality that there's a public component to those. Well, let's start first. With this you know, people talk about racial inequality and they, they often focus on cultural norms and it's kind of an easy one for people to grab hold of.

And then your [07:47:00] work, your research, our conversations, the work you did with Presidio you actually came with five buckets. That relate to racial inequality, and they go far beyond cultural norms so I thought maybe we'd start there with laying the territory a little bit about what you mean and what structural aspects are this enormous challenge.

Cecily Joseph: Yeah, so I guess I want to say at the outset that we want to start with the premise that we care about racial equity, like all of us having this discussion today. You know, that's why our organizations and companies have made public statements. We're not here to debate. You know, is it important? Does it matter?

And also I'm not going to focus on how we got here. So the long journey to how we got to this place, but rather where we are now. And what are some of the things you know that we can do about it collectively wanted to give a definition for structural racism that I use that Presidio which is, you know that so that we're kind of all talking the same language but [07:48:00] basically that it refers to a system in which public policies.

Institutional practices and cultural representations and norms reinforce ways to perpetuate racial inequity. Not something that a few people do, but instead it's part of the social, economic, and political systems in which we all exist. So we all kind of realize this, this huge issue that we, that we're all trying to address the areas that I think, and, and you know, I will be.

I'm really interested to see if there's something I've left out or others feel there's something to be included, but I think there are six main areas that I tend to focus on. So, one is healthcare, one is education, the wealth gap, including housing, criminal justice system, and reform, which we spent a lot of time talking about over the last year.

Environmental justice and tech and the digital divide, and I can give you some examples of just a little bit to kind of go a little deeper. So when you know we're talking about [07:49:00] health care, I tend to think that showing some of the disparities and healthcare around racial equity are probably the most obvious and easy for us to sometimes grasp.

So just to some stats and I've shared the articles that really go into detail on this which I know Elizabeth, you're going to share with everyone later, but just to kind of highlight. So, we know that COVID is exposed, you know that there's a crisis right with respect to racial equity and healthcare.

We know that blacks, Hispanics, American Indians and Native Alaskans are at a higher rate of hospitalizations and death. In addition to that, they're just ongoing disparities. So the, the infant death among black American is twice the national average 20 percent of Hispanics under 65 have no health insurance.

Hispanic women are 40 percent more likely to die from cervical cancer in the [07:50:00] United States. Asian Americans are 40 percent more likely to be diagnosed with diabetes than non Hispanic white Americans and 80 percent more likely to die from renal disease. And suicide is the leading cause of death for Asian Americans age 15 to 24 in the United States.

So these are just some stats, you know, there's many, many more but there's just such a stark difference in the way that we address health care, and that we see and we can see that

for organizations that are reporting to care about racial equity. There's a, there's a, there's an entire continuum of things that we should think about when we're trying to address it as a company or as an organization and healthcare is one place to start in education.

I think, you know, as a, as a tech company, we focus a lot on education from a corporate responsibility perspective. You know, a lot of it was, you know, we did a lot of stem initiatives and invested a lot of money and in those types of things. But I think what I've learned and as you pointed out, [07:51:00] Elizabeth, you know, we're all kind of on this learning journey so all of us are figuring this out and trying to improve our knowledge and, and the impacts that we have.

But even though, you know, we see that there are issues, you know, I would say that one place we could focus is on this idea of segregation, segregated schools. And schools are still segregated, but they really get segregated based on economy. And so if you look at schools that are in wealthier neighborhoods, they tend to be predominantly white schools.

They have better resources. And if you look at schools that are poor, And in poverty regions, then you'll see that the education gap is wider. And so I think for organizations, as well as looking at it from a community perspective from a, you know, job hiring and investment perspective all the way through to, you know, thought leadership and political and public, you know, government affairs, you can think about What can [07:52:00] we do as organizations to impact that we think about criminal justice.

I mean, we've, we've heard a lot about criminal justice, we should all be experts on racial inequity and criminal justice system by now, but but we definitely know that there are, you know, some key drivers and I, I wanted to kind of highlight a few that I think are the key sources of unjustified racial disparities in criminal justice outcomes.

So one is the disparate racial impact of purportedly race neutral policies and laws. So for example, one in three people arrested for drugs is Black, although drug use is not used more by black Americans as opposed to any other group. Racial bias among criminal justice professionals. So there's implicit racial bias, just the same way as there is in our companies and our organizations.

And we, we see that played out in the news pretty much daily resource allocation. So, you know, decisions that disadvantage low income people. So things like [07:53:00] pretrial detention, we know that that tends to lead to more people being incarcerated for the long term. But when you have less resources and, you know and public policy plays a huge role in being able to shift that.

And then finally, just criminal justice policies and excessive spending, for example, on jails, right? And programs limits crime prevention and drug treatment programs that can prevent People from going to jail in first place. So those are just some examples. On the criminal justice side on the environmental justice side.

We have a huge opportunity to think about equitable access to clean air, water, natural spaces. Yes, who is who is going to be who is living in zones and regions where they're going to be unfairly subjected to climate change. As opposed to other areas. And what can we do now from a an organization [07:54:00] perspective all the way to public policy.

So I'll talk about continuing a little bit later, but what can we do to address that? And what should we be doing as companies to do that? And finally there's the tech and digital divide

again, an area that I spent a lot of time working in because I worked in the tech company, but it's something that, you know, I think COVID has really brought front and center all of us.

Are using our, our, you know, devices more, our kids and family members are learning more that way. And we can see the inequities presented when you're not in a place where you can have access. We all hear the stories about people who are like sitting huddled in front of a McDonald's trying to access you know, the internet, et cetera.

So those are just some examples. And I think companies need to think more broadly about. About those types of issues and how they can play a role and why they should if we say that diversity matters and we're making public statements about racial equity, then we should really address those things that are [07:55:00] that are inequitable in our society that we have the power to shift and change.

Elizabeth Doty: Wow. Thank you. And thank you for the work to pull all those together. Right? It takes effort to piece together the magnitude of this and the compounding effects of these over time. And when I was reading some of the references you talked about, they talked about the compounding effects.

And what I hear you saying a bit is. This changes how you think about being responsible.

Cecily Joseph: Well, I think, I think as companies, you know, we often spend a lot of time talking about and I've done this, you know, we need to invest in programs where we, you know, that align with our business, where we feel we can have the most impact.

And a lot of times they're surface programs. There are, there are things that touch the surface of things, but they're not necessarily Activities investments resource allocations that go to the root causes of [07:56:00] issues. We want to hire and grow a more diverse workforce. Where are we going to get that workforce from if they're not healthy.

If our workforce, you know isn't living in environmentally. safe community. If our workforce you know, it's, it's kind of too late to start college recruiting efforts when we neglected to address, you know, elementary school education gap issues. So let's, let's be honest with ourselves and say that this is a, this is a problem.

These problems are things and the structural inequity. And institutional racism that we have is going to take us a lot, it's gonna be a lot harder for us to fix and address. We have a responsibility go a little bit deeper than that. With you,

Elizabeth Doty: I almost have that picture, the classic business model of a flywheel, right?

It takes a lot to get it going and to reverse the way it's been. Well, then let's shift over to the levers. As you said, companies became more alert, more [07:57:00] visible, clearer. About where they stood made commitments. We've been hearing about executives who are really mobilized and concerned and taking actions.

And I think in your the framework that you teach, you talk about different levers that companies can act on levers of influence and you're seeing more action on some than others.

Cecily Joseph: Yeah, so I think there are four main areas that companies. need to focus on or a framework they need to build around racial equity.

So the first is obviously around talent. That's the, that's an obvious one for companies. It's really about hiring, promoting compensation wage equity, et cetera, but specifically. Around

racial equity, right? So we tend to maybe our comfort zone or because we've talked about it earlier or sooner, we tend to always refer back to gender and I think it's really important for companies to also include specific initiatives around racial [07:58:00] equity.

Next is around this whole idea of building an inclusive culture, which I think is very important for companies. You can hire as many diverse people as you want, but no one's going to stay if your company is not inclusive and doesn't really encourage people to bring their whole selves to work, right? And so this idea of bias mitigation, leveraging, you know, your employee resource groups to do more than just Gather and have meetings but they really seeing them as true, true instrument for inclusive culture building and rewarding them for that.

I'm seeing a lot more companies are starting to actually compensate ERG members for the hard work that they do and bring cultures together. So companies are focusing on these things, so those first two, the last two I think are, are really important. And so one of them is what I call value chain.

So the value chain is, yes, it's the community. And so what are we doing in the community? How are we leveraging our philanthropy dollars more strategically to address some of [07:59:00] the previous buckets that I mentioned? How are we looking at those issue areas, but also what are we doing for our customers? So either in the products that we deliver, Or in go to market strategies that we develop with our customers, either B2B or consumer facing.

So what, how are we addressing and then supply chain? What are we doing to push not only racial equity down into our supply chain, but how are we addressing issues in our supply chain? And finally within that pillar, I would also say that, you know, the rise of the investor, it's just been amazing to see investors.

rise up over the past year. You know, ESG is on the tip of everyone's tongue these days and racial equity is a, is a big component of what we're hearing investors talk about and speak to. I know that just capital has done some great work around racial equity and you mentioned as you so as you so has, you know, has it hold a scorecard [08:00:00] around racial equity, which is a really good resource for organizations to look at to see what are the issue areas that they should be focused on and addressing from an investor perspective.

And then the final piece is really around thought leadership and public policy. So, Yeah. You know, a company is very influential when it comes to using its voice often struggles with when to do that. Talk about that a little bit later. But, but I think that it's really important for companies to advocate on behalf of these issues and to use their influence on relevant racial equity issues.

It's a continuum, you know, it should align across the company. So just to kind of. Spell it out simply, you know, if we're committed to hiring, promoting racially diverse people, we're building an inclusive culture where we ferret out bias, we're investing in our communities, the ways that address structural racism.

Then we should also be advocating [08:01:00] publicly and using our voice. To address these issues. So that's sort of how I see that that all play out.

Elizabeth Doty: Yeah, very interesting. And I can see those expanding out in one of your papers, you talk about how much focus. And I think we do this in the business schools in the sustainability curriculum.

There's so much focus on the business case. And you mentioned in one of your papers, the, the, I don't know, this may be a little strong, but the. Amount of time and energy that goes into trying to create or verify that there's a business case for this. And I find I'm, I'm wondering how that works when you're thinking about these structural issues that may not be particular to your company.

You may not be able to solve them single handedly, at least not at any scale. How do you think about that? In terms of this question of when. To use company voice on larger issues, right? Because we're seeing those right now. There's the justice and policing. There are several really macro issues [08:02:00] on the table right now.

How how are you seeing companies think about whether to get involved in those? And what do you think is appropriate?

Cecily Joseph: I do think business case is important. So I think it's important to demonstrate at a high level that there's a business case for diversity, right? There's a business case for gender equity.

There's a business case for racial equity. It is important to at the onset of this to make sure that everybody gets why we're doing it. Right. It's going to make us a more competitive company. It's going to make us more attractive to our customers. You know, the long term, we're going to be more sustainable because we have different voices and thoughts.

I think it's important for people to understand that. The concern is that we spend a lot of time revisiting that and not actually going forward and building programs. So I, you know, in my own career have, you know, different leaders coming in and a new year approaching a new goal setting have found that I, I've spent a lot of time going back and having to convince people what the business [08:03:00] case is and why we're doing it.

And not enough time actually making progress and moving forward.

Elizabeth Doty: Got it. Great. Well, that sets us up for our next conversation because those that convincing people often does have to do with both leadership and peers and other functions. I'd be interested if anyone wanted to comment on what they're seeing, are they seeing actual, you know, movement ahead on any of these issue areas that we talked about?

Do you think organizations are looking more deeply and making real progress? Do you think we're still caught up on the business case? Talking internally in organizations where you were at CineTech and so forth. In some companies, it seems the rules of bureaucracy are still intact, even in a progressive company. Can you talk about that a little bit? .

Cecily Joseph: So. I'm going to step outside of the company for a minute and talk about virtual directors because I think it's a good model.

You know, we've been arguing the business case for why boards of directors for many years. And we haven't seen, hadn't seen much progress at all. And then I think the recent mandate by [08:05:00] California, now NASDAQ, we can see what's coming. We can see that there is a societal expectation, a shareholder expectation.

And now a legal expectation that, that boards of directors are more diverse and that they have more women at the table and they have more people of color. And so I think that in companies, we need to be a little bit more intentional as well. We wait until behaviors shift and everyone gets comfortable or people are willing to forego hiring their friend or someone

they used to work with or someone that went to their school and take a leap of faith and, you know, Sitting and being uncomfortable.

We may be waiting a really long time. And so I think it's really important that organizations reward and recognize leaders and hiring managers for making progress on this. And [08:06:00] that we arm people with the right, the right language to address, to address. You know, I'm just going to jump ahead to some of the things I hear sometimes, which is Yeah, but we want to hire the best.

Well, no one's saying we're not. Let me just put that out there because no one's saying we're not hiring. Our goal is to hire the best people, but we want to, we want to widen the net of, of who those people are. And in our war for talent, shouldn't we be doing that? Shouldn't we be looking more broadly? So I think that we need to, at the highest level of the company, put hiring goals in place, put you know, rewards program in place, tie, tie these things to goals the same way we do other.

Business imperatives. I think diversity should be at that same level as far as goal setting and transparency and accountability.

Elizabeth Doty: Sometimes we only see that at once CEOs reach a certain level or a certain size of company, and we're not seeing it necessarily at more of the mid cap, small cap, and that translates into a massive, more massive movement.

And also on the investor side, Just the other day, I was yesterday speaking to one of our members and they were saying they're starting to see investors reward them for their [08:08:00] focus on transitioning to renewable energies. So that, that's great. And what we want to see, I think in terms of the social side, that's a lot, it's not so easy to quantify what that would translate into.

I know there's a lot of movement to try to get there, but. It's taken 20 years on the environmental side and we don't have 20 years on the social side. So those are just encouraging things, I think, but also perhaps to come up later I would love your thoughts on, you know, there's the long term view of how we think about long term shareholder vision.

But I think there's also a need for greater long term view in terms of impact and what you're putting out. So when you talk about not addressing the root causes. I don't see that when companies think about how they need to engage in their communities, that same long term view of understand going all the way back to the root causes.

Thank you. [08:09:00]

Cecily Joseph: Well, and I just want to address a little bit of what you said there, because I think part of that also could be encouraged by shareholders. I think if, if shareholders who've been so profoundly impactful over the last year and a half and getting companies to move more quickly on, as you said, climate change related issues.

So a lot of what companies are being pushed to do by shareholders has to do with disclosure. Right? So tell us what your data looks like. You know, how many people of color do you have on your board? How many women got promoted last year? Those types of things. And I think if, if shareholders were starting to push companies a little bit more on impact, as you suggest, you know, long term impacts, what are your, what are your programs and what are you planning on doing that really will have long term real impact?

I think then companies will, will have to respond to that.

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Elizabeth Doty: It's very, very interesting. We're hearing in some of the [08:10:00] task force conversations, a greater awareness of outbound or inverse materiality as an interesting guide to where to start. If you're going to look at root causes.

It's different from the inbound; it requires more long term thinking as you're talking about, but it does allow you to narrow the scope. For example, I was talking to an insurance company and the ways they used to give insurance out gives them a good place to start for correcting racial disparities.

If you're interested in talking with us, or, you know, of a company that might be interested in joining the conversations, we're working on workflows and principles and practices for corporate political responsibility.

Please email us where our addresses are all at the bottom of the screen there. You can visit the website and sign up for notices about these dialogues. January 27th, we have Bennett Freeman with BSR and wrote a really seminal paper on corporate responsibility for protecting civic space under pressure and has often been applied to other countries, but it now seems really relevant in the U.S. So he'll be speaking to us about that, as well as how it's applying in China right now. We have a resource list that continually grows several research assistants calling resources by topic on CPR. I think it's been used already in one doctoral thesis, and yet they're all practitioner oriented.

Follow us on the Erb Institute on Twitter. To follow up with Cecily, people can go to your LinkedIn. Profile to get the overview. You have so many roles in advisory functions and connections to important organizations. The [08:12:00] Herndon Institute, as you so Mercy Corps Presidio, hopefully now Herb, Cecily.

I so appreciate the thoughtfulness and the quiet passion that you brought to the importance of looking at the root causes and putting that 4th lever on the map. I think is. Just really critical. It's obvious when you talk about the five, six areas you, you raised that it has to be included. And if I could turn it back to you, Cecily, you know, one takeaway that you'd like people in decision making roles thinking of them as champions for the, that structural level of racial equity.

What would you encourage people to do as an action to make it real?

Cecily Joseph: I think right now is a great opportunity to make sure that you're more engaged with your board. I think board members are being asked about this and expected. This is a, if you look at board education and, you know, all the literature that board members are receiving.

ESG is highlighted. It's so relevant. Diversity and racial equity are obviously part of that. [08:13:00] And I think that if you want to move the needle on these issues and you haven't or it's time to revisit your relationship with your board of directors. I would encourage you very much to do that. They need you now and now's the time to really reach out and engage them.

Elizabeth Doty: Wonderful. Thank you so much. I think that's a wrap.