



CITY OF IOWA CITY MEMORANDUM

Date: January 20, 2021

To: Iowa City Business Owners

From: Kristin Watson, Human Rights Investigator

Re: Corporate Social Justice

Most business owners are familiar with the concept of corporate responsibility. Philanthropic efforts, employee volunteer programs, diversity and inclusion initiatives, and social issue marketing have helped bring success and customer loyalty to businesses large and small over the last few decades. Recently, however, customers have begun looking for efforts beyond the standard “giving back.” Lily Zheng, writing in Harvard Business Review, has coined the phrase “Corporate Social Justice” to describe the new, higher expectations she has seen as a consultant and executive coach.

What is Corporate Social Justice?

Corporate Social Justice places the focus of any initiative or program on the measurable, lived experience of groups harmed by society. It is self-regulated; there is no legal responsibility for a business to actually create a positive outcome for anyone. However, the trust between a business and its employees, shareholders, customers, and the community provides the framework for accountability.

In this age of social media, a business that is not true to its stated values can expect quick and severe backlash. For example, in 2017 AT&T received a perfect score on the Human Rights Campaign’s Corporate Equality Index, which measures a company’s commitment to LGBTQ+ equality. However, constituents quickly noticed AT&T also donated more than \$2.5 million to anti-gay politicians the same year, news which was not well-received. Corporate Social Justice is an actual commitment, not a marketing strategy.

How is a Corporate Social Justice program developed and maintained?

Ms. Zheng provides a road map for going beyond the surface. Here are her pointers:

- Begin with a goal involving a more just society. But not just any goal—vanity projects aren’t enough. Zheng suggests determining where your business is best equipped to make a difference. The question, she says, is which issues lie at the intersection of your company’s mission and the unmet needs of your stakeholders?
- Think deeply about the broader ecosystem surrounding your goal, and your company’s place in that ecosystem. Where might your business participate in systemic inequities? How might you address that?
- Working groups should be representative. For example, if you want to release a statement on anti-Black racism, involve Black employees, customers, and other stakeholders directly in crafting the statement. However, beware of placing too much responsibility on the same people. Compensate people fairly for the extra work they are asked to do, and be sure they feel able to opt out.

- Take a stand. By definition, any firm statement you make will alienate *someone*. Your actions will show who matters to your business. For example, a Colorado baker was so adamant about refusing to bake a cake for a same-sex couple's wedding that the baker took the issue to the US Supreme Court. That business wholeheartedly embraced its rejection of LGBTQ+ people. Is your business that one, or a welcoming one?
- Keep track of your progress. Set goals and regularly revisit them. Publish successes and be accountable for any shortcomings. Keep the trust of your constituents by carefully nurturing your reputation.

Zheng notes that companies with *effective* social justice programs are more successful than those without them. Socially-aware employees and customers have a growing desire to support businesses that mirror their ideals. Doing good in the world is good business. Read Zheng's full article at <https://hbr.org/2020/06/were-entering-the-age-of-corporate-social-justice>.

The City of Iowa City Office of Equity and Human Rights has been providing memos to businesses on areas of discrimination since August of 2016. Please send topics you would like to receive guidance on in the future, or inquiries regarding discrimination issues, to humanrights@iowa-city.org.