20th Annual Ethics and Responsible Business Forum

Woke Capitalism: Should Businesses Jump In or Stay Out?

Brief:

When 68% of consumers expect brands to be clear about their values (Christie, 2020), it is unsurprising that corporations are increasingly taking public stands on a number of social issues. Chick-fil-A aligns with conservative values and Goya is known for supporting Trump. Nike emerged as a pioneer corporate advocate for social justice when it leveraged Colin Kaepernick in promotional campaigns and Major League Baseball spotlighted the Black Lives Matter movement. Meanwhile, some businesses become unwillingly implicated simply for making operational business decisions that create controversy. For example, Carhartt received right-wing backlash when it enforced a vaccine mandate for its employees, while Starbucks faced calls for a boycott because it dropped its vaccine requirement, after the Supreme Court struck down a federal mandate.

“Woke” is a term commonly used to express an awareness of injustice in society. When corporations manifest such an awareness, through their support of social causes, it is often referred to as “woke capitalism.” While wokeness is meant to describe awareness of how systems of power operate in society, wokeness is often stigmatized by critics who view it as supporting primarily liberal or progressive causes and as, often, hypocritical and performative.

In this culturally divided environment, businesses are caught in a dilemma. How can businesses act responsibly given our current political context? Should they embrace corporate activism, engaging in various Corporate Social Initiatives that give expression to social causes or does this move risk both alienating consumers and further driving political divisions? By contrast, is activism really the role of business in society? Should businesses remain neutral or would neutrality actually abet injustice? More succinctly, should businesses take part in corporate activism or should they stay out of the fray? This is the focus of the 20th Annual Ethics and Responsible Business Forum, which will debate the topic: “Woke Capitalism: Should Businesses Jump In or Stay Out?”

Proponents of the stance argue that when businesses take a moral stance, they are simply doing the right thing. Moreover, weighing in on social issues could be a profitable course of action, given increasing consumer demands for businesses to take an active role in social conversations on issues like voting rights, racial injustices, and gun control. If this is the case, might there be a strategic imperative behind wokeness? Others argue that being woke is an obligation because businesses have significant
power and influence over other stakeholders and, more generally, on the planet. As such, businesses arguably have a responsibility to ensure and promote an inclusive and sustainable prosperity that leaves no one behind.

On the other hand, critics of wokeness maintain that businesses should be morally and politically agnostic. Critics believe that corporate wokeness is simply bad for business - alienating a subset of consumers, threatening profits, and often misusing financial resources. Many fear that woke capitalism is merely performative, and that consumer focus on wokeness rewards inauthentic and superficial corporate actions, failing to encourage genuine social change.

The debate between these positions raises some key questions, that we hope our speakers and panelists will address in their remarks:

- Does it matter if businesses are woke or not?
- Is the answer different for corporations vs. small businesses? Domestic vs. multinational corporations? International/global vs. local corporations?
- Is wokeness fairly characterized as a progressive phenomenon? What is the difference between businesses that take public stances on progressive versus conservative causes?
- Do businesses have the responsibility to function as change agents in the socio-political sphere?
- What risks are inherent in the participation of business in social change?
- Is wokeness different from Corporate Social Responsibility?
- What does authentic versus performative wokeness look like?