

# **Dialogic Communication Theory in the Age of Corporate Activism: A Postmodern Perspective**

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## **ABSTRACT**

Dialogic Communication Theory, in the past 20 years, has become a touchstone for the use of digital communication in the fields of public relations and marketing. It's based on the premise that organizations engage individuals in a dialogue that would be mutually beneficial and lead to consensus building. Today, however, some researchers are disrupting the theory by theorizing that corporations are also using social media to enunciate their core values and encourage public discussion, not necessarily consensus. Numerous consumer surveys show that an organization's customers are increasingly expecting corporations to express their views and based on that view, decide to purchase a product or increase their brand loyalty. A corporate stance on current social and political issues, however, has risks. Consumers who agree with the stance may boost the corporate reputation and sales, but those who disagree may reduce their purchases or even boycott the organization. This poses challenges for chief communication officers (CCOs) and chief marketing officers (CMOs). to help Chief Executive Officers (CEOs) determine what issues are relevant to the corporation/s core values and how to best convey the corporation's viewpoint in the marketplace of public opinion.

**KEYWORDS:** Dialogic Communication, Consensus Building, Corporate Activism

The advent of the Internet and the World Wide Web at the turn of the century presented a major challenge to communication researchers and public relations professionals. For the first time in history, organizations had the ability to communicate directly with the public without the filtering process of mass media gatekeepers. Academics, as well as working communication professionals, not only sought to understand the effect of the Internet on organizational communications but to also develop new theories beyond the normative theories of mass communication.

This caused Kent and Taylor, in 1998, to propose a new theory of dialogic communication that has become a major touchstone for the use of digital communication in the fields of public relations and marketing.<sup>i</sup> The basic premise of dialogic communication – Internet and Web based – is the digital interaction between publics and organizations. Kent and Taylor posited that organizations could integrate a form of interpersonal dialogue into web-based communications to fulfill what they described as the “dialogic promise” of digital media. They defined this approach as “any negotiated exchange of ideas and opinions. More recently in 2014, they wrote that scholars should treat dialogue as “...an orientation that values sharing and mutual understanding between interactants.”<sup>ii</sup>

The theory of dialogic communication has been the subject of multiple studies and scholarly articles over the past 20 years. The theory, from a historical perspective, is an outgrowth of Grunig’s concept of the two-way symmetric model of public relations. His concept was that the purpose of symmetric communication, as opposed to the persuasive-oriented model of two-way asymmetric communication, was to gain mutual understanding with balanced effects between an organization and its publics. The concept, also expressed as “relationship building” and “engagement” is have policies and actions that are mutually beneficial to the organization and its various stakeholders.<sup>iii</sup>

Heath postulated that socially responsible companies are expected to communicate well with their stakeholders.<sup>iv</sup> Picking up on this concept, Uysal wrote “The assumption is that a company can better understand and better respond to societal demands and better optimize its corporate behaviors in relationship to social norms through dialogic communication and, in turn, the company improves its social and environmental performance.”<sup>v</sup>

Cizek and Logan agree that dialogic theory has, to date, been oriented to symmetrical communication and is consensus-driven, the idea of “collaboration over contestation as the normative guideline for public relations theory.”<sup>vi</sup> They, however, advocate a postmodern approach to dialogic theory. “...recognizing dissensus as an important concept when organizations advocate on behalf of contested political and social values. They believe dialogic theory needs to also recognize the concept of Corporate Social Advocacy (CSA), also called Corporate Political Advocacy (CPA), that “...accepts the fact that not all stakeholders will agree with the ideologies and values advocated by an organization.” They continue, “Thus, CPA situates corporations as values-driven organizations that recognize that the profit imperative may not be the only or even the most important consideration in organizational life. According to Holtzhausen, “It should be the responsibility of the public relations function to

create opportunities for dissent, for opening up debate without forcing consensus, to create possibilities for change.” Thus, the basis of CSA and CPA, according to Wood, is “...The process of social responsiveness and the policies and programs designed by corporations to address social issues.”<sup>vii</sup>

The roots of CPA is the concept of Corporate Social Responsibility (CSR) but the model is somewhat different, CSR emphasizes action and policies that can help the corporation’s reputation and profits. CPA, in contrast, moves beyond dialogic theory’s emphasis on achieving consensus, but to focus on an organization’s values and how those values are reflected in CEO statements about often controversial social and political issues. As Brian Moynihan, CEO of the Bank of America, explains, “Our jobs as CEOs now include driving what we think is right. It’s not exactly political activism, but it is action on issues beyond business.”<sup>viii</sup>

His comment is echoed by Kenneth C Frazier, CEO of Merck pharmaceutical company, “CEO’s need to be very thoughtful and sober about the positions that they take publicly. Ultimately, if you believe strongly in something, you ought to say it, and you ought to say it a very clear way.”<sup>ix</sup> He, for example was the first CEO to resign from President Trump’s American Manufacturing Council after the president failed to condemn the violence by white supremacists holding a rally Charlottesville, Virginia. In a statement on the company’s Twitter account, he wrote, “American leaders must honor our fundamental values by dearly rejecting expressions of hatred, bigotry, and group supremacy.”<sup>x</sup> A number of other CEOs followed Frazier’s lead and also resigned from the council in protest.

The increase in corporate social and political activism is an outgrowth of 24/7 news, real-time conversations on current events and issues being amplified on social media, and a rising tide of consumers and other stakeholders who are now demanding that organizations articulate their values by taking stands on current social and political issues. Indeed, the Center for Political Accountability, a U.S. based non-partisan public policy organization, reports “Even if a firm would prefer to stay out of divisive politics and avoid hyper-charged social issues, increasingly employees, investors, and other stakeholders are demanding that business leaders speak up about social and political matters, ranging from climate change to gun control to LGBTQ rights, and ensure that the company’s actions advance the company’s espoused values.”<sup>xi</sup>

This demand for more corporate transparency and even advocacy is not just a trend in the United States. The *2018 Edelman Earned Brand Survey*, for example, found that nearly two-thirds of consumers around the world will buy or boycott a brand solely based on its position on a social or political issue, an increase of 13 points from the 2017 survey.<sup>xii</sup> Edelman Worldwide, the largest public relations firm in the world, conducted an online survey of 8,000 consumers, plus receiving 32,000 mobile responses in eight nations that included Brazil, China, France, Germany, India, Japan, UK, and the U.S.

The survey found that in all nations, except China, business was more trusted than government. In terms of consumer behavior, one in two people are belief-driven buyers. They choose, switch, avoid, or boycott a brand based on its stand on societal issues. Other key findings:

- 1) Belief-driven buying is now mainstream around the world consisting of the majority of respondents in all eight nations.
- 2) Belief-driven mindset now spans generations and income groups – not just the millennials (18-34) but also the older generation.
- 3) Almost 50 percent of respondents think brands have better ideas for solving their country's problems than government.
- 4) More than 50 percent believe brands can do more to solve social ills than government.
- 5) A third of the respondents express the intent to advocate for the brand after knowing the brand's stance on societal issues vs. 26 percent who would only advocate based on product costs and features.

According to Richard Edelman, CEO, "This is the birth of Brand Democracy, as consumers are electing brands as their change agents. Brands are now being pushed to go beyond their classic business interests to become advocates. It is a new relationship between company and consumer where purchase is premised on the brand's willingness to live its values, act with purpose, and if necessary, make the leap into activism."<sup>xiii</sup>

Other major surveys have also confirmed that consumers, activist shareholders, and even employees, want corporations to take a stand on issues that relate back to their espoused values. A Weber Shandwick and KRC research survey of 1,000 U.S. adults, for example, found that almost 80 percent of respondents agree that CEOs need to speak out in defense of their company's values. But the survey also found that consumers are more comfortable if a corporation speaks out on such issues as jobs/skills training (80%), equal pay in the workplace (79%), sexual harassment (77%), privacy/personal data collection (70%), and healthcare coverage (70%). They are less enthusiastic about corporations speaking out on more controversial issues in the U.S, such as LGBT rights (36%), gun control (35%), nationalism (33%), legalization of marijuana (25%), and abortion (14%).<sup>xiv</sup>

The report, *CEO Activism in 2018: Purposeful CEO*, concluded, "Increasingly CEO's are speaking out publicly and taking stands on controversial issues. CEOs now have a track record of speaking up about social, political, and environmental issues such as climate change, gender pay equality, same-sex marriage, immigration, gun control, and racial discrimination."

In another study by Sprout Social, *Championing Change in the Age of Social Media*, it found that 88 percent of consumers want organizations to take a stand on political and social issues, and more than half (58%) are open to that occurring on social media such as Facebook, Twitter, and Instagram.<sup>xv</sup>

In terms of an organization's employees, a study by BRANDfog and McPherson Strategies found that 75 percent think it's important that their organization's chief executive publicly declare their opinions on social and political issues.<sup>xvi</sup> Employees are also activist change

agents. A petition by 4,000 Google employees, for example, persuaded the company to not to renew a contract to supply artificial intelligence tools to help the Pentagon analyze footage from drone aircraft because such data would lead to more automated killing.<sup>xvii</sup>

Although corporate social and political activism has the potential of classic dialogic communication theory in terms of building consensus between the organization and its stakeholders, the primary objective is to participate in the marketplace of ideas and to enunciate corporate values through policies and actions that various segments of the public may not agree with in terms of their own beliefs or political dispositions. In the Sprout study, for example, 44 percent of consumers that agree with the corporation's stance would purchase more from a brand, and 52 percent would show greater brand loyalty. In contrast, 53 percent said they would purchase less from a brand, and 33 percent said they would even boycott the brand if they disagreed with the corporate stance.

Such percentages highlight the risks that corporations take when they take a position on a current issue or controversy. A stance has the potential of boosting brand reputation and loyalty, but can also alienate some segments of the stakeholder public. Increasingly, as already outlined, corporations are taking that risk because of consumer demand and a belief in the three Ps in the triple bottom line – profits, people, planet. Corporate profits are important, but many corporations also believe their sustainability is also based on social responsibility to be a good citizen and to also ensure that they are environmentally responsible.

Nike and Ben & Jerry's ice cream are two examples of consumer backlash based on a company stance. Nike, for example, decided to feature American footballer Colin Kaepernick in a national ad campaign marking the 30<sup>th</sup> anniversary of its "Just Do It" advertising slogan, which angered many consumers because Kaepernick was at the center of polarized public opinion about him kneeling at National Football League (NFL) games during the national anthem in support of the Black Lives Matter movement. Angry consumers posted videos of themselves burning Nike branded products and even called for a boycott of Nike. At the same time, researches showed that a large percentage of Nike's customers who were less engaged in the controversy were less likely to change their purchase of Nike –branded products.<sup>xviii</sup>

In the case of Ben & Jerry's, a company whose values are described as "activism-infused capitalism," used its Facebook page to support the Black Lives Matter movement. The original post received 28,000 responses and 17,000 shares, generating one of the largest online conversations in the organization's history. The backlash came from supporters of Blue Lives Matter (support of police officers) and #AllLivesMatter. The company continued to support its commitment to Black Lives Matter, but it also provided a digital space for users to share perspectives on race in the U.S. and opinions about the merits of the movement to raise public awareness about excessive police violence involving African-Americans. Although Ben & Jerry's lost some business from consumers who disagreed with its stance, other brand loyalists pledged to buy even more ice cream.<sup>xix</sup>

Corporate social and political activism is manifested in several ways. The most common is a CEO posting on social media expressing support or disagreement on a current issue. IBM, for example, supported the continuing of the Deferred Action for Childhood Arrivals (DACA) legislation that would allow children of undocumented immigrants to remain in the U.S. after the Trump Administration proposed that they be deported. The company also highlighted stories of employees who had benefitted from the program.<sup>xx</sup> Apple's Tim Cook also went on record opposing President Trump's decision to have strong anti-immigration policies, because the company hires thousands of well-educated immigrants in a current work visa program. A number of corporate CEOs also went on record supporting a commitment to the Paris Climate Accords after President Trump withdraw the United States from the agreement.

A national tragedy can also be a catalyst for corporate activism and action. Edward Stack, CEO of Dick's Sporting Goods, issued a statement on the massacre of 17 students at a Parkland, Florida, high school saying that its stores would no longer sell assault rifles and not sell any guns to anyone under 21. Although many gun rights advocates called for a boycott of the sporting goods chain, sales rose almost 5 percent.<sup>xxi</sup>

Walmart, the nation's largest retailer also went on record by announcing that it would no longer sell guns to anyone under 21 and would no longer sell toys that resembled assault-like weapons. As a result of the Parkland shooting, a number of corporations such as life insurance companies and banks also ended their partnerships with the National Rifle Association (NRA) based on the group's continued advocacy for gun rights.<sup>xxii</sup> Clothing manufacturer, Levi Strauss, also got involved in the highly polarized gun rights debate with some initiatives to combat gun violence, including a \$1 million fund for groups working for more anti-gun legislation.<sup>xxiii</sup>

Corporations also use their economic power to influence state legislatures that are considering legislation that discriminates against ethnic groups or violate the civil rights of gay, lesbian, and trans-gender groups. WalMart CEO Doug McMillon, for example, tweeted on his company's Twitter newsroom that he opposed a proposed state law that would have allowed retailers to refuse service to gays and lesbians based on their own religious beliefs saying "it threatens to undermine the spirit of inclusion present throughout the state."<sup>xxiv</sup>

This was somewhat of a bold move on McMillon's part since WalMart's headquarters is in Arkansas, a conservative state that went 60 percent for Trump in the 2016 election. The company's objective was to not only state a position, but – in dialogic theory – to encourage a public dialogue among employees and other stakeholders about the proposed law. In another situation, a number of corporate CEOs stated that they would curtail business operations in North Carolina if the state legislature passed a law that restricted trans-gender individuals from using public restrooms. The state legislature, in due course, modified the proposed legislation.

The Center for Political Accountability, in its report *Collision Course: The Risks Companies Face When Their Political Spending and Core Values Conflict*, found that there was often a disconnect between a corporate stance on an issue and their donations to political candidates.<sup>xxv</sup> Google and Bank of America, along with two dozen other companies, were exposed by media

watchdogs for supporting climate change legislation while also funding political candidates and parties that were opposed to such legislation.

In two other examples cited by the non-partisan center, Target department stores supported gay rights and diversity, but also gave \$150,000 to political candidates who were against gay rights and immigration. Publix super markets also donated \$700,000 to a governor candidate in Florida who was a strong supporter of gun rights and the National Rifle Association (NRA) even as the company had gone on record as endorsing more gun violence legislation. Such a misalignment of company values and political spending poses a serious risk to a brand's reputation. According to Deloitte, a global consulting and accounting firm, "One of the greatest dangers for a company in the age of social media is acting in ways that are inconsistent with its core values."<sup>xxvi</sup>

The risks to corporations engaging in social and political activism, coupled with a lack of coordination between making a public stand on an issue and funding political candidates that represent opposing views, are redefining the roles of Chief Communication Officer (CCOs) and Chief Marketing Officers (CMOs). According to Steve Cody, president of Peppercorn public relations, "Part of the challenge is for CCOs and CMOs to determine with the CEO, which issues to take a smart stand on and which have no relevance to their business – while being prepared for traditional crises that have always existed in relation to their core business."<sup>xxvii</sup> At the same time, Tina McCordkindale, CEO of the Institute for Public Relations (IPR) finds an expanded role for CCOs in the corporation. She writes, "We have found that in many instances, CCOs who may not have had a seat at the C-suite table in the past are now emerging front and center as the ethical and moral compass of their organizations."<sup>xxviii</sup>

Thus, the role of the CCO in these times of divisive political, social, and cultural storms is to ensure that corporate values are upheld and that the organization is not inconsistent in its stance on societal issues and its donations to candidates and political parties. It's also the responsibility of the CCO to inform both employees and other stakeholders about the rationale of taking a position on societal issues and why it's important for the organization to speak out as part of its responsibility to be an active, involved corporate citizen.

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