

# Harvard Business Review

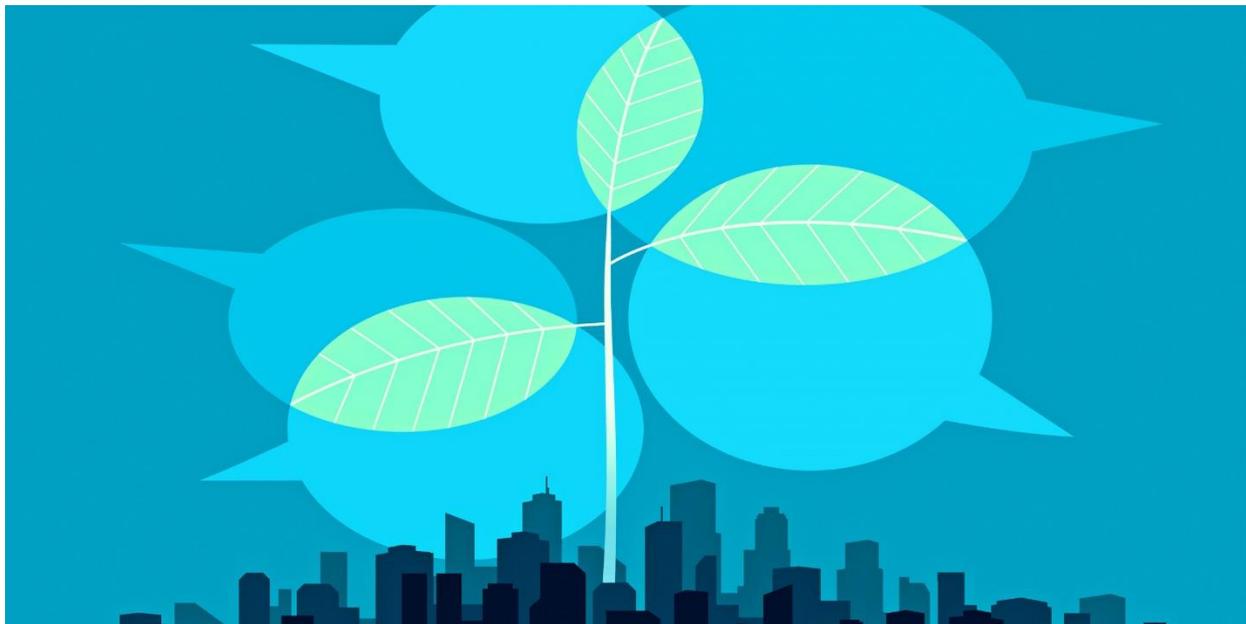
5-PART SERIES

Democracy Under Attack

<https://hbr.org/2020/03/how-business-leaders-can-champion-democracy>

## How Business Leaders Can Champion Democracy

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**Illustration by Joey Guidone**

A [recent report by the Harvard Business School](#) found that business leaders are deeply concerned about the state of democracy in America. Nearly seven in 10 surveyed HBS alumni believe that democracy is at risk and that dysfunctional politics are negatively impacting U.S. competitiveness. Majorities support political reforms like decreasing the influence of money in politics, ending gerrymandering, and implementing innovations such as ranked-choice voting. More than half agree that business's role in politics has been problematic.

These results echo a [national survey](#) of more than 1,000 business leaders that our organization, [Leadership Now](#), conducted in late 2019. We found that nine in 10 leaders were concerned about the state of our democracy; seven in 10 were “very concerned”; and half felt they had a personal responsibility to act.

But what kinds of action should they take? Many business leaders aren’t sure what they can do to help strengthen and protect democracy and democratic systems, or who to partner with to make the biggest impact.

Answering this question has been the focus of our organization since it was founded in 2017 by 10 Harvard Business School alumni — all women — who worked in both the public and private sectors. Over the past three years, our membership has grown to six U.S. cities, with nearly 200 members, both men and women, half of whom are HBS alumni. Through rigorous analysis of the political system — our [Democracy Market Map](#) charts \$56 billion in annual political spending, for example — we now recommend investments in a portfolio of high-impact organizations pursuing systems solutions. [OpenSecrets](#), which tracks money in politics, [is one example of an organization we support](#), as is [Democracy Works](#), which provides the technology backbone for many online voter registration and turnout efforts. We also facilitate regular collaborations between business leaders, academics, policy makers, and democracy reformers and speak with and learn from global leaders in the fight for democracy in their home countries.

We’ve found that business expertise, approaches, and networks — working in coalition with others — can play an essential role in devising solutions and translating ideas to action. At this historic moment that demands engagement from all of us, we’ve identified four things business leaders can do to best protect, reform, and reimagine democratic systems:

1. Use your voice.
2. Use your expertise.
3. Use market research innovations.
4. Make the case for public-sector investment.

## **Use Your Voice**

Businesspeople can use their informal networks to great effect to escalate issues that present a threat to democratic norms, especially when they affect the economy. Consider what happened in Turkey just [last year](#). Business groups — sometimes at great personal risk — were vocal in their own statements and in talks with international counterparts in pointing out Prime Minister Rəcəp Tayyip Erdoğan’s manipulation of the currency right

before an election, an attempt to keep the **economy seeming strong** even when it was weak. When Erdoğan declared the Istanbul mayoral elections invalid (the results showed that his party had lost after more than 20 years of ruling the city), these same groups pressured him to respect the election results — though they were unable to get him to do so.

But the groups didn't stop there. They continued to share unpoliticized and accurate accounts of what was happening in the country with their global network, reaching out to politicians, NGOs, and multinational fund managers to get support for a democratic process in the repeat election three months later. Their vigilance led to the **EU** denouncing the decision to rerun elections, and **investors expressing concern** about investing in Turkey if the elections were fraudulent. All of this helped stop Erdoğan from tossing out the results when his party lost again.

Leadership Now has been in dialogue with some of these Turkish business leaders. We're hoping to learn much more about where business's voice has been helpful or unhelpful in strengthening democracy in other countries, and how that can inform the U.S. context.

## Use Your Expertise

While not everything about the way business operates translates smoothly to how parliaments and legislatures function, there are areas of expertise that can help make democratic governments work better. One area where we've observed progress is workplace transformation. Generally, businesses are more savvy at keeping up with and implementing research-backed innovations in this area, while political institutions remain behind. But business expertise in organizational design is starting to change that.

### The Big Idea

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Take the recent example of the Rebuild Congress Initiative (RCI). With **approval ratings for Congress** hovering at around 20%, the Harvard Business School alumnus J. B. Lyon — an entrepreneur, investor, and Leadership Now member — partnered with Bruce Patton, cofounder of the Harvard Negotiation Project and coauthor of *Getting to Yes*, to address their concerns. They saw how Congress failed to operate like a modern enterprise in some key ways: Its top-down decision-making process failed to elevate a range of opinions and didn't address the most pressing issues of the day. Members of

Congress and their staff were disempowered, overscheduled, and overwhelmed. Congress had no HR department, and therefore no process for recruiting and retaining talented and diverse staff. Its technology was antiquated (for example, there's no way to "track changes" in bills while they're being written). And the rules used to introduce legislation had become so onerous that they were preventing fresh ideas from getting to the floor.

No amount of electing new people to fill seats could fix these problems. Lyon and Patton recognized that it was a systems issue and set out to assist congressional members in fixing that part of the institution. In nine months, RCI helped spearhead the creation of the bipartisan [House Select Committee on the Modernization of Congress](#). In January 2019, the committee was launched (with a vote of 418–12) and has since issued 45 unanimous recommendations to improve the institution. More than 100 members of Congress have been engaged in this work.

Importantly, RCI takes no policy positions, and success depends on members of Congress to renew the committee, devote time to serving on it, and expand its mandate over time. But Lyon and Patton and their team show that you *can* use your expertise in negotiation, business, institutional transformation, or other topics to directly engage leaders from across the political spectrum and help them devise creative solutions to systemic problems.

## **Use Market Research Innovations**

Polarization of the electorate is a major threat to democracy, largely because it prevents compromise that enables political leaders to reach agreements and pass laws.

Countering polarization is something we can all do in our personal interactions, but understanding and countering polarization at scale is a challenge that needs much more creative thinking, research, and analysis. Business leaders, who routinely build market segmentations, can deploy those tools to become part of the solution to understanding and addressing polarization.

The organization [More in Common](#) serves as a case in point: Its team is using unique research and analysis expertise, honed from experience as entrepreneurs, policy and nonprofit leaders, and military veterans, to take on the polarization challenge. The civic tech entrepreneur Mathieu Lefèvre joined a close group of friends in 2017 to launch More in Common, a network of organizations working to strengthen the health of democracy in the U.S., UK, France, and Germany. Descended from Hungarian refugees, Lefèvre was moved to dedicate himself to tackling social division and nativism by a

series of events that struck close to home: the 2015 Bataclan attacks in Paris and the 2016 murder of British Labour MP Jo Cox for her support of migrants and refugees. Experiencing similar tensions rippling across Western democracies, More in Common's cofounders decided to bring a new level of rigor and innovation to initiatives bolstering the civic fabric of societies.

More in Common uses data analysis to research the underlying causes of polarization and social division, uncovering the values, beliefs, and identities that help to explain why people lose trust in one another and in democracy more generally. They then draw on this research to develop segmentations of the population and test messages. Based on what they learn, they work alongside a range of partners in the nonprofit, public, business, and civil society sectors to develop new, broad-based coalitions that transcend typical partisan divides.

In France, for instance, they are collaborating with the French Catholic Church on a multiyear initiative to build stronger connections with migrant and refugee communities. In the U.S., their 2018 report "[Hidden Tribes: A Study of America's Polarized Landscape](#)" provides deep insights into the psychological drivers of polarization. Most recently, Leadership Now is supporting More in Common's U.S. expansion, and our Houston chapter is partnering with the organization to understand Texan perspectives on the health of American democracy and how a strong, diverse coalition can be created to strengthen it.

## **Make the Case for Public-Sector Investment**

Some business leaders are applying their expertise to make the case for a stronger public sector. In the U.S., one example of this in practice is a [recent task force](#) led by Admiral William H. McRaven and James Manyika. Through the Council on Foreign Relations, a set of prominent tech leaders, venture capitalists, academics, and business leaders recommended a strategy to keep America's innovation edge by strengthening investment.

The group outlined a new strategy based on four pillars: funding, talent, technology adoption, and alliances and ecosystems. It has been actively working with policy makers to help them understand the risks to the economic and national security of pulling back from America's public-sector R&D investments. In particular, the U.S. risks losing the race for new drug discoveries, autonomous vehicles, and clean energy. The group's research shows how overall U.S. leadership in science and technology has been diminished by a decades-long stagnation in federal support and funding for research

and development. Private-sector investment has risen, but not to levels that match previous investments.

Thus far, little action has been taken by the government on the recommendations of the report. To combat this, tech and academic leaders are continuing to raise their concerns to elected officials. Just as critical, they're socializing their learning within the larger business community at conferences and other events and getting others in the community to raise the alarm, so that many more voices are also asking for progress.

## What You Can Do Now

While the examples above represent what business leaders who are in positions of power or devote themselves full-time to building new organizations are capable of accomplishing, we also recognize that not everyone is in such a role. That does not mean you are powerless. Whether you are a CEO, a manager, or an individual contributor, there are concrete steps you can take to improve democracy.

**Vote and mobilize your networks to vote.** Data shows that relational organizing — hearing from people you know and trust — works. Talk about voting, post about voting on social media, plan for voting, [give your employees time off to vote](#), and encourage others to make a plan for voting. Volunteering on election day to help get out the vote or to ensure that elections are secure is equally valuable.

**Align your business with prodemocratic principles.** Do you know if your company's engagement in politics is supporting the health of the system?

Understanding the nature, scope, and impact of your company's political resources and contributions — and ensuring transparent reporting to your executive team and board — is a good start. The [Center for Political Accountability](#), an organization we support, and its Wharton Business School–affiliated [CPA-Zicklin Index](#) provide clear guidance on implementing political-spending transparency and accountability policies.

**Invest resources in democracy itself.** Our own research shows that only a tiny fraction of political and philanthropic resources in the United States — roughly \$500 million of \$400 billion in philanthropic capital, or approximately 0.1% — goes toward organizations working on the health of the system. This scale of funding must increase here and around the world. Some organizations we recommend for investment include [RepresentUs](#) (which supports citizen-led ballot initiatives for reforms to democracy), [New Politics](#) (which prepares new talent to run for office), and the [Voter Participation Center](#) (which implements evidence-based voter registration and turnout efforts).

We believe that the return on these investments is enormous: A well-functioning political system makes solving other pressing issues easier, from health care and education to infrastructure and climate change.

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Over the past few years, as we've sought to uncover promising solutions to fix our democracy through Leadership Now, we've discovered that many of the most seemingly powerful people in business and politics also feel increasingly powerless to fix it. We hope our work, and the examples we outlined above, will help you find ways to defend democracy daily and reinvigorate it for future generations. As the political scientist **Hahrie Han** concluded from her research on mobilizing civic participation, "Democracy is a muscle. Just as babies have to strengthen their leg muscles to walk, we all have to develop the skills we need to act collectively to achieve our common interests."

We see hope in a new cadre of business leaders who are doing just that. **The Big Idea**

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