

OPINION

Disney Can't Hide From Politics



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By **Peter Coy**

Opinion Writer

The Walt Disney Company has a big problem. It wants to be loved by everybody: Massachusetts liberals and Mississippi conservatives, Muslims in Saudi Arabia and atheists in China. It therefore prefers to minimize the number of times it takes stands on hot-button social issues.

But it keeps getting dragged into politics, often by employees who tend to be liberal and want the company to reflect their values. This isn't just a Disney issue. It's one that's bedeviling chief executives of prominent companies such as Google (Alphabet) and Nike. In [some cases](#) the restive employees are conservatives, not liberals. The tensions seem to be intensifying.

I can imagine one possible resolution: Companies openly embrace one side or another in the culture wars. We've [already seen](#) that happen a bit. In the [vehicle market](#), certain brands (Subaru, Honda) appeal more to liberals and others (Ford, GMC) appeal more to conservatives, albeit without getting political themselves. The retailer Hobby Lobby is avowedly conservative, while the grocery chain Trader Joe's is [popular with liberals](#). And so on. But mammoth companies like Disney aren't usually ready to give up on any part of their customer base, so the stresses of political involvement are likely to continue.

Disney's chief executive, Bob Chapek, got a harsh introduction to the new reality of politicized business this week. Disney executives had been working behind the scenes to head off Florida's Parental Rights in Education bill, which strongly constrains the teaching of sexual orientation and gender identity and which activist opponents call the "Don't Say Gay" bill. But Chapek had resisted making a public statement despite entreaties from employee groups at Disney.

On Monday, Chapek sent a memo to Disney employees stating his case for quiet diplomacy. "As we have seen time and again," he wrote, "corporate statements do very little to change outcomes or minds. Instead, they are often weaponized by one side or the other to further divide and inflame. Simply put, they can be counterproductive and undermine more effective ways to achieve change."

The memo failed to tamp down employees' outrage over the legislation, which is supported by Ron DeSantis, the Republican governor and a potential 2024 presidential candidate.

Disney employees, as well as outsiders, have [called the bill](#) “anti-L.G.B.T.Q.+ legislation.” Some of the language was heated. On Twitter one person compared the Florida bill to the [Nuremberg race laws](#) enacted in Nazi Germany.

On Wednesday, Chapek made his first public statement against the bill at the company’s annual shareholder meeting, which was dominated by talk of “Don’t Say Gay” rather than the company’s ([strong](#)) financial condition. The Florida Legislature passed the bill on Tuesday despite Disney’s behind-the-scenes work. Chapek said he called DeSantis on Wednesday “to express our disappointment and concern that if legislation becomes law, it could be used to unfairly target gay, lesbian, nonbinary and transgender kids and families.”

His attempt to keep out of the spotlight had failed.

Disney has a progressive record on sexuality and gender. It has featured gay and lesbian characters in its productions and the chair of its board of directors, Susan Arnold, is one of the highest-ranking women in corporate America who is openly lesbian. As Chapek noted in his memo, Disney has earned a 100 percent rating from the Human Rights Campaign for the past 16 years.

But that progressive record was no shield from criticism. If anything, it made Disney more vulnerable because employees and other stakeholders expected the company to live up to its own expressed values. Yes, even on a piece of state legislation that did not directly involve Disney. The more a company does, the more it is expected to do.

I talked with two experts about how Chapek and other chief executives should act in this challenging new environment. Neeru Paharia, an associate professor at Georgetown University’s McDonough School of Business, said hanging back doesn’t work. “Companies that take a stand quick and are first movers in the space are perceived as being more authentic,” she said. “When you wait too long, you’ll get penalized no matter what you do.”

Companies need to accept that they have become part of the political process, like it or not, Paharia said.

Consumers as well as employees have gotten used to thinking of companies as political players, she said: “The traditional political process may be seen as less efficacious. Trust in Congress is decreasing. Consumers are turning to vote with their dollar.”

In February 2021, the research company Gartner did a [survey](#) of 3,000 workers that found 68 percent would consider quitting their current job and working with an organization with a stronger viewpoint on the social issues that matter most to them. I interviewed Brian Kropp, chief of research in Gartner’s human resources practice. He said “the worst possible move” for a company is to take a position on a social issue but not follow through on it. That angers both sides, he said.

“The C.E.O.s who say something but then follow it up with a real resource commitment and explain why they’re doing it — employees that agree are engaged and excited,” Kropp said. “Those that disagree might be mad at you, but if you explain the decision-making process, their engagement levels don’t fall. They’re disappointed but they’re not mad on average.”

Kropp said he feels for corporate chiefs who are bogged down in the culture wars. “One C.E.O. told me, ‘If we get involved in everything our employees want to get involved in, that would become my full-time job.’” On the other hand, Kropp said: “You’ve got a set of values. Are you going to stand up for them or not?”

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