



# Why Silence Is Not an Option for CEOs

Leadership with Purpose: A Call to Social Responsibility

by **Andreas von Specht**

As populist and extremist parties gain ground, many business leaders face the difficult decision of whether to make clear statements in support of democratic values and against extremism. This is no easy question – especially when doing so might mean standing in direct opposition to the local mainstream or even risking reprisals from current (or future) governing authorities.

It is remarkable to see that a number of well-known American CEOs have apparently avoided or even withdrawn clear statements in favor of the democratic candidate – or against her Republican challenger – out of fear of the consequences following a Trump victory. Just to be clear: we are not talking about Russia, North Korea, or Belarus, but the largest democracy in the world.

Can CEOs in developed countries really afford to “stay silent” and refrain from addressing worrying political and social developments? Or is it time to take a clear stance and push back against trends that threaten our democracies and free-market economies?

Traditionally, businesses were mainly responsible for creating economic stability, securing jobs, and generating value for their shareholders. Yet, with the rise of globalization and social media, there has been a dramatic increase in focus on issues like social responsibility, environmental awareness, and political positioning. Today, many employees even expect their company leaders to take stands on social and political matters as well as economic ones. As a result, companies and their CEOs are no longer isolated economic actors but societal ones who, through their decisions and statements, shape the public discourse.

## WHY SILENCE IS NOT AN OPTION

In this context, silence or neutrality could, at worst, be mistaken for acceptance or even support. A company that avoids taking a stand risks indirectly contributing to the emergence of a political climate that could threaten its own values and long-term stability.

A free and social economy, in particular, relies on democratic structures that ensure stability, predictability, and open access to markets. If companies stop advocating for these principles, they could jeopardize the foundations of their own success in the medium term. Withdrawing from political debate – or avoiding it altogether – in times of growing polarization could therefore have serious repercussions for both companies and society as a whole.



## A COURAGEOUS STANCE BUILDS STAKEHOLDER TRUST

Taking a clear stand can strengthen trust among customers, employees, and investors. At a time when more people are making choices about consumption, careers, and investments based on ethical and political criteria, a CEO who openly upholds strong values can gain a competitive advantage. As we all know, numerous studies show that people are more likely to support companies that take a credible and authentic position.

Of course, a strong positioning requires backbone and courage. But such a stance is often rewarded internally with increased cohesion and identification. In our consulting work at AvS Advisors, we have seen that the much-coveted young talent in particular tends to seek out employers whose values align with their own.

## THE RISKS OF POLARIZATION

Taking a political stand does, of course, carry risks. When a company and its leadership openly oppose undemocratic tendencies or extreme views, it may provoke and alienate certain people in some areas. Companies could, in theory, risk losing parts of their customer base or partners or being politically instrumentalized. These risks, however, can be managed with a strategic approach. Clear, nuanced communication grounded in a strong commitment to democratic values can help position a company credibly and authentically.

Instead of making purely partisan statements, business leaders should generally emphasize their support for fundamental democratic values such as freedom of expression, equality, and the rule of law. Sometimes, however, there is no choice but to speak out and call out specific threats to democracy. "Fortunately", I do not hold an American passport, and it is not really my place to intervene in an election on another continent. Otherwise, as a strong believer in democratic principles and the rule of law, I would have to make my views unmistakably loud and clear.

## CONCLUSION: EMBRACING RESPONSIBILITY OVER SILENCE

In an era when undemocratic forces are increasingly gaining influence, business leaders can no longer afford to look away and remain neutral. A company that takes its social responsibility seriously should clearly advocate for democracy, tolerance, and diversity. These values are not only the foundation of our political system but also essential to long-term economic success. A courageous stance not only protects the company itself in the long-term but also strengthens the democratic society on which we all depend.

In short: CEOs should more frequently take the opportunity to stand up for democratic values and thereby make a positive contribution to social cohesion.



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