Chief executives who speak out on political issues and take a principled stance are increasingly sought out by jobseekers who believe such behaviour signals fair treatment, respect for employees, and a more responsible vision beyond nurturing the bottom line, new research shows.

People are over 20% more likely to want to work for a company where the CEO takes a humanistic stance on a political issue unrelated to their business, new research by the University of Bath's School of Management, Audencia Business School in France, and London's Imperial College, shows.

This effect is true, regardless of age, education, gender of the job seeker or their political orientation—and the jobseeker does not need to agree with the CEO's views.

"We had expected people to be attracted to principled, politically active business leaders but we were surprised to find that graduates did not necessarily need to share their opinions to find them appealing," said Andrew Crane, Professor of Business and Society at the University of Bath School of Management, one of the three authors of the study.

"If we take an issue like gun control, people are much more likely to want to work for a company when the CEO stands up for greater gun control, regardless of whether the jobseekers themselves are pro- or anti-gun control. We see exactly the same effect for other issues like same-sex marriage and immigration. Employees want their CEOs to take the more liberal, humanistic stand whatever their own position might be. It seems CEO principles are counting for more and more in today's jobs market," Crane said.

Chief executives around the globe have become increasingly vocal about social and political issues in recent years. Last month Qantas Chief Executive Alan Joyce—who has spoken out on indigenous rights, same-sex marriage and gender equality—vowed to continue campaigning on social issues and maintains it has improved the Qantas brand.

Many in the U.S. have been galvanised particularly by President Donald Trump's hardline stance on immigration, including Tim Cook of Apple. And ethical practice has been brought into sharp focus globally by a raft of corporate issues, arguably led by the Facebook data scandal and that company's response.

For many years managerial convention has been to shy away from taking a principled stand on current affairs and politics, fearful of alienating customers, key clients, governments or shareholders. Crane believes that is now changing for good and CEOs need to take heed of this change to ensure they continue to attract top candidates.

Crane said there was limited knowledge about the impact a CEO might personally have on attracting talent to a company. He chose to conduct the study
in the U.S. because of the recent increase in political activism by CEOs there.

But the study, by Crane, Professor Christian Voegtlin of Audencia Business School in Nantes, France, and Dr. Laura Noval from Imperial College showed that not all activism will appeal to prospective employees—and principles might prove costly if they are not deemed the 'right' principles.

"Interestingly, our findings show that the positive effect of CEO activism disappears if the CEO becomes politically active to oppose humanistic values, such as when leaders speak up against same-sex marriage," said Voegtlin.

"People are more likely to want to work for a company with a CEO that takes no stand whatsoever than one where he or she comes out against such issues. It seems that when CEOs speak up, they should speak up for humanistic values if they want to have a positive spill-over effect for their company," Voegtlin said.

The study also found the effect was more pronounced when a female CEO engaged in political activism. Crane said gender stereotyping—that a female management style is more often associated with attributes such as care or concern for others—might be a significant factor in attracting potential employees.

"Our research suggests people perceive such activism as more congruent with the role of a chief executive officer when the CEO is a woman. There is an assumption that potential employees will implicitly expect women leaders to be more likely to speak up for humanistic values," he said.

Regardless of gender, CEO behaviour was found to play a powerful part in jobseekers' perceptions—and expectations—of a company.

"Potential employees expect goodwill from companies that are run by a CEO openly engaging in humanistic values and infer from this signal that employees at that company are treated fairly and with respect," Crane said, adding that pride and social status might be attached to being associated with a company doing the 'right thing'.

Crane said jobseekers increasingly were looking to CEOs and companies to fulfil social responsibilities, as well as deliver the bottom line. Ultimately, however, it will not be enough to write 'CEO activism' into the role profile alongside tough financial performance targets. Such activist behaviour must be authentic.

"If the stand is just talk without action, then employees will see through this and it could easily breed discontent. Taking a genuine political stand that leads to tangible action is critical," Crane said.

More information: When CEO socio-political activism attracts new talents. Exploring the conditions under which CEO activism increases job pursuit intentions: www.researchgate.net/publication ... b_pursuit_intentions

Provided by University of Bath