



Charity Insights:
Managing Employee
Activism, 09/2024

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RESEARCH OUTLINE

Alder conducted research among chief executives of UK charities in order to understand their experiences with employee activism, the issues they were most concerned about, and the extent of their crisis management preparation.

The fieldwork was conducted by Censuswide on behalf of Alder. The survey polled 100 UK charity leaders (including CEO and Chairperson roles) with 40+ employees, with a minimum of 30 responses from social justice/campaigning charities between 29th May 2024 and 7th June 2024. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council.

Alder also carried out Freedom of Information Act requests to the Charity Commission for data concerning serious incident reports (SIRs) for the reporting years April 2021 to April 2024 in order to understand the reputational risk landscape and crisis management preparation of regulated charities.



IMAGINE YOU WORK FOR A CHARITY

You enjoy your work, not only because you care deeply about the charity's mission, but because everything the charity does is led by a strong sense of values which align with your own personal values. You find you're not the only who holds these values, and you enjoy speaking with colleagues about your values in common.

But you read the news, and you see employees in the private sector are staging sit-ins for climate action. You talk to a friend, who has petitioned their company's board for a solidarity statement on an international conflict. You speak with your partner, who tells you their boss has just given a significant donation to a political party.

You wonder: as an employee of a values-led organisation such as a charity, why is my employer not saying or doing more on the issues that matter to me and my colleagues?

And so, you ask for a meeting with senior leadership – you demand urgent action, something bold, something that makes a difference. Only the response you get is not what you were expecting. You are told solidarity action is not possible. You are told resources cannot be diverted from day-to-day operations. You are told while the charity is led by its values, it will not promote your values, the ones you hold most dear.

This is normally how employee activism begins – a disconnect between what employers do and what employees expect.



At Alder, our charity practice has seen a dramatic rise in charity leaders managing employee activism, particularly where employees demand action that senior leadership cannot deliver without exposing the charity to serious legal or regulatory risk. Our primary research shows that charity leaders are managing demands across a number of sociopolitical themes, none of which show signs of abating.

Charities are uniquely vulnerable to employee activism, not only because of their legal and regulatory obligations, but also the social and political attitudes of employees in the third sector. Employee activist demands can escalate quickly, making it essential that leaders examine their vulnerabilities and consider what mitigation might be worth implementing before demands are made.

WHAT IS EMPLOYEE ACTIVISM?

Employee activism is when employees call on leadership to take action on social, cultural or political issues. Often these calls for action are framed as demands for accountability or solidarity and involve criticism for inaction to date.

Employee activism can be a useful vehicle for organisational change and there are issues that leaders should expect to have to negotiate on, such as industrial relations and workplace culture concerns. Indeed, issues raised by movements such as #MeToo and #BLM have often only received serious attention as a result of concerns raised by employees.

The reason employee activism raises unique problems for charities is that, unlike most employers, charities are governed by legal and regulatory frameworks which restrict, if not prohibit entirely, political and campaigning activities outside the charitable mission.

Why does employee activism cause problems for charities?

Many of these issues can be handled through normal channels, and many demands made by employee activists may well lead to a constructive dialogue and organisational change.

However, there are a number of demands that senior leadership and trustees will have very little room for manoeuvre. Overwhelmingly, these will be in relation to campaigning, political activity and external-facing statements.

The Charity Commission, as the independent regulator of charities for England and Wales, [provides guidance on political activities and campaigning](#), which should be considered by trustees before taking a public position.

In short, any charity can engage in campaigning or political activity which furthers or supports its charitable purposes, unless its governing document prohibits it; equally, a charity cannot undertake political activity that is not relevant to, and does not have a reasonable likelihood of, supporting the charity's charitable purposes.

Charitable objects however can be very broad, and where they do not seem to prohibit political activity or campaigning, employees may argue that public political stances would be entirely within the objects. Equally, employees may draw on their charity's public stances on other issues and argue that there is precedent.

However, the Commission also [provides a checklist for trustees](#) when considering political activity or campaigns, which includes the following key questions:

How would this campaign or political activity further or support the purposes of the charity?

How likely is it that the campaign would achieve its objective(s)?

What evidence is there to support [proceeding with this activity] (e.g. beneficiary consultation, a credible evidence base)?

What other activities could the charity undertake that would achieve the same objectives?

In what ways would these other activities be more or less effective than campaigning?

What risks would the charity be exposed to in undertaking this campaign? e.g.

- Risk of acting outside charity's purposes/misuse of charity funds?
 - Breach of legal/good practice requirements on campaigning?
 - Reputational risk?
 - Unintended consequences?
-

Taking these questions into consideration, there are clear reputational risks associated with public stances on certain social, cultural or political issues. What is more, a charity's objects can likely be met without taking a public stance on specific issues.

Were the trustees of a charity to proceed with a public stance on a political issue, they would need also to consider the objectives and extent of political activity. The more time and resources committed to political activity on the issue, the greater the justification required to satisfy the Commission that such activity is in accordance with the charity's objects.

Even if political activity were limited to a statement of solidarity, the charity may expose itself to allegations of political bias or distracting focus away from beneficiaries.

Equally, a solidarity statement may lead to high stakeholder expectations. For example, what actions will the charity now be undertaking in support of the public stance? Will the charity be taking public stances on similar issues going forwards?

A charity may still be approached for commentary on specific issues outside its mission and objects. The charity should consider such enquiries on a case-by-case basis, but ultimately any statement should ensure that the objects and beneficiaries are the focus. Even if a charity is able to issue solidarity communications, trustees must have regard to their obligations to consider the impact of campaigns on the charity's reputation.



WHAT DRIVES EMPLOYEE ACTIVISM?

Charity leaders often ask our practice whether they are the only ones having to manage employee activism – many feel they are alone and lack experience in managing difficult dynamics brought about by employee activism.

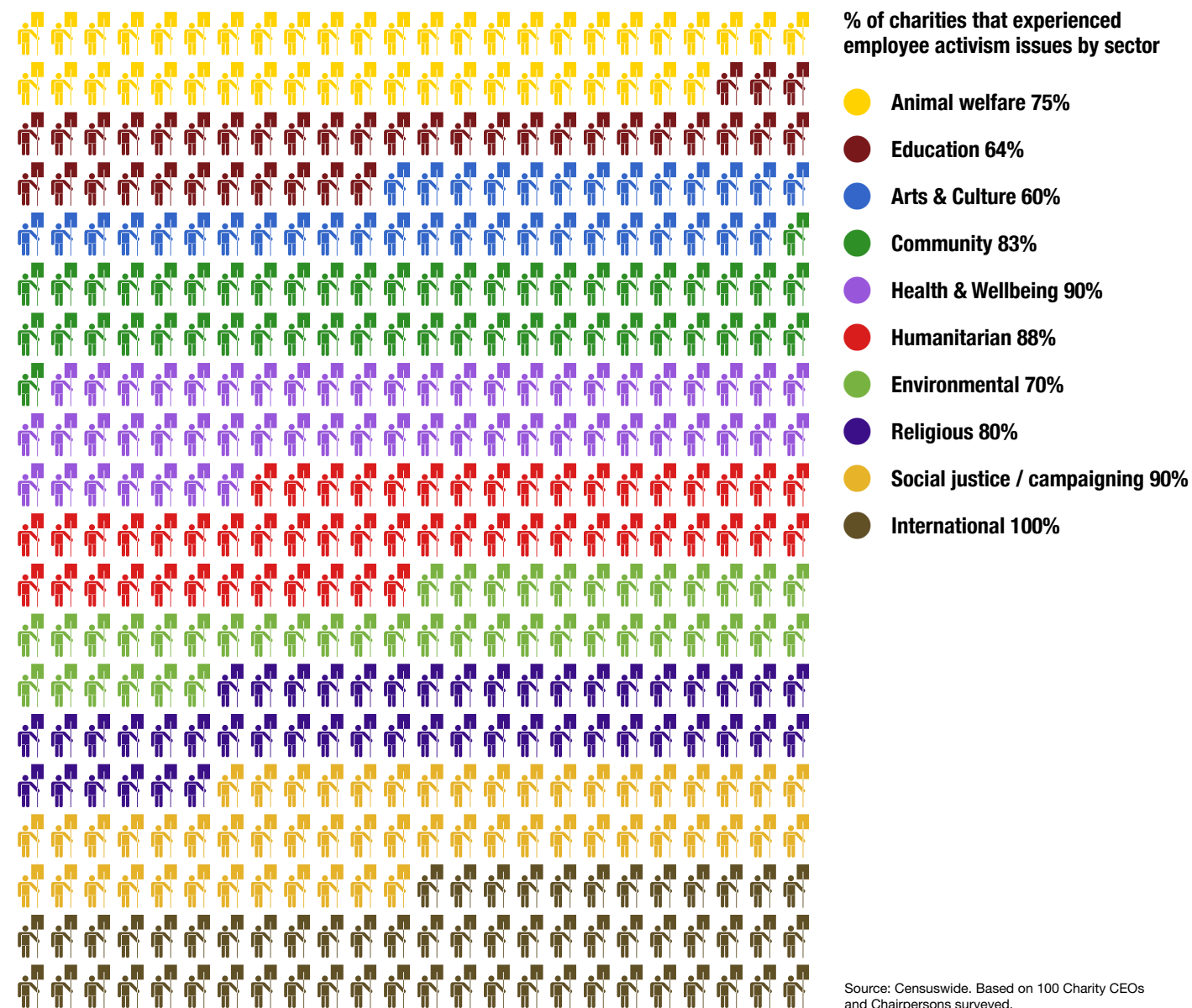
However, our annual charity reputational risk survey asked 100 UK charity leaders about their experiences with employee activism and found that **82% of leaders had experienced employee activism over the past 24 months.**



Employee activism is when employees speak out for or against controversial issues that affect society, often demanding action from their employers. Has your charity experienced employee activism in the past 24 months?

Yes 82%
No 18%

 While over 60% of respondents for all types of charities have experienced issues with employee activism, some types of charities have encountered more issues than others.



There are a number of themes that cut across most charities' experiences with employee activism:

1. Political consciousness

Many employees in the third sector are politically engaged and bring experience from the trade union movement or campaigns in which solidarity plays an important role. Employees increasingly expect their charities to reflect their values, whether that be on social justice, environmental sustainability, or political alignment.

2. Online activism

Employees may already use social media to organise, share information, and mobilise support as part of their roles. It is therefore unsurprising that employees consume news of employee activism online.

3. Legal literacy

The principal arguments against conceding to employee activists will be legal and regulatory. Unfortunately, these arguments can be difficult for activists to grasp, particularly when much of a charity's engagement with legislation is on the campaigning or lobbying side.

4. Transparency & accountability

The demand for greater transparency and accountability has grown across all sectors. This can manifest as a demand for detail on trustee or leadership decision-making, as well as subject access requests.

5. Horizontal structures

Many charities pride themselves on their non-hierarchical structures. When it comes to employee activism, this can raise employee expectations of what information and action they can reasonably demand of senior leadership.

WHAT DOES EMPLOYEE ACTIVISM LOOK LIKE?

Because of the nature of their work, most charities will have a culture of open discussion and sharing of political values, in particular where politics intersects with the charity's objects. Indeed, charity employees will often demonstrate active engagement in campaigns in their free time.

Unfortunately, many charity employees confuse political activity in service of their charity's objects with political activity in general. If confusion isn't addressed robustly early, employee activist pressure can quickly escalate.

- 1. Direct Questions:** Most employee concerns are first raised in an internal forum, such as an all-staff meeting or check-in with line managers. These can often be handled discreetly per the charity's normal processes. Some questions will anticipate action from the charity – e.g. What is the Board planning to do about X? – which may indicate that internal pressure is building.
- 2. Public Statements:** Employees will often demand that a public statement of some description is made. In cases where the charity cannot take a public stance, employees may escalate by making public statements of their own. These can range from statements from individuals in a personal capacity to statements made by a group of employees. These are often shared on social media in the first instance. In rare circumstances, the charity's own channels may be used inappropriately.
- 3. Petitions:** Employees may issue open letters or petitions to express their concerns and demand action from leadership. It is not unusual for petitions or open letters to fundamentally misunderstand charity law and regulations, or mischaracterise reasons given for rejecting demands. Partner organisations, donors and funding bodies may also be approached.

4. Direct Action: In some cases, employees may resort to protests or walkouts to draw attention to their demands. Employees may share their concerns with their trade union. Recognised trade unions should provide their members a steer on charity legal and regulatory frameworks; however, poor industrial relations may lead to unions seeking publicity for ulterior motives.

5. Media: The media may be approached directly by employees, which can lead to direct media enquiries to the charity.

What impact does this have on charity leaders?

Recent years have seen a great deal of tumult in the third sector, whether that be the economic and funding climate, the pandemic, or the cost-of-living crisis. With this backdrop, the rise of employee activism poses several challenges for charity leaders.

Indeed, our annual charity reputational risk survey found that concerns from leaders ranged from stakeholder complaints, organisational restructures, EDI matters, workplace culture and behaviour, public perception shifts, and political scrutiny during an election year.

When asked about the issues that employees have demanded a public statement on despite it being outside the charity's mission, **36% of charity leaders said trade union activity at other charities, 31% said trans inclusion, and 31% said racial inequality.**

Charity leaders should be also vigilant of triangulation, i.e. where journalists, interest groups and commentators collaborate on a media enquiry. While a number of news desks are struggling with fewer resources and boots on the ground, interest groups have been able to pick up some slack by providing journalists with high quality research of their own accord. Whereas an initial media enquiry to a charity would conventionally be a fact-finding mission for the journalist, a triangulated story means the initial media enquiry will already be backed by extensive research, in some cases with commentary from thought leaders or politicians also already lined up, by the time it lands in the press enquiries inbox.

Charity leaders were also asked what areas they felt their charity is most vulnerable to in terms of reputational risk. **The highest proportion (20%) said they were most concerned about regulatory scrutiny, closely followed by litigation (19%), and positioning on international conflicts (18%).**

Some charities have recently faced issues with employee activism, when employees expect the charity to make public statements about matters that are outside the charity's mission.

Out of the following occurrences, which, if any, has your charity experienced this with?

 **83% of respondents ticked all options for this question**



Source: Censuwide. Based on 100 Charity CEOs and Chairpersons surveyed.

How should charities address employee activism?

In the vast majority of cases, the expectation gap between employees and employers rests on employees misunderstanding their employer's legal and regulatory obligations. Hence the earlier these obligations are made clear to employees, the better.

Employers and boards have a responsibility to close this expectation gap before it becomes too wide to bridge. Managing employee activism can be a real test of leadership, which means leaders need to communicate with employees early the legal and regulatory constraints in order to set clear boundaries and remove any excuse for misapprehension down the line. Leaders need to ascertain whether they are committing enough resource to inducting all employees rigorously – whether that be by providing clear, accessible guidance on how the charity is governed and regulated or holding focus groups or workshops to tease out uncertainties and questions from employees. Remove any room for doubt by having the tough, honest conversations before issues arise.

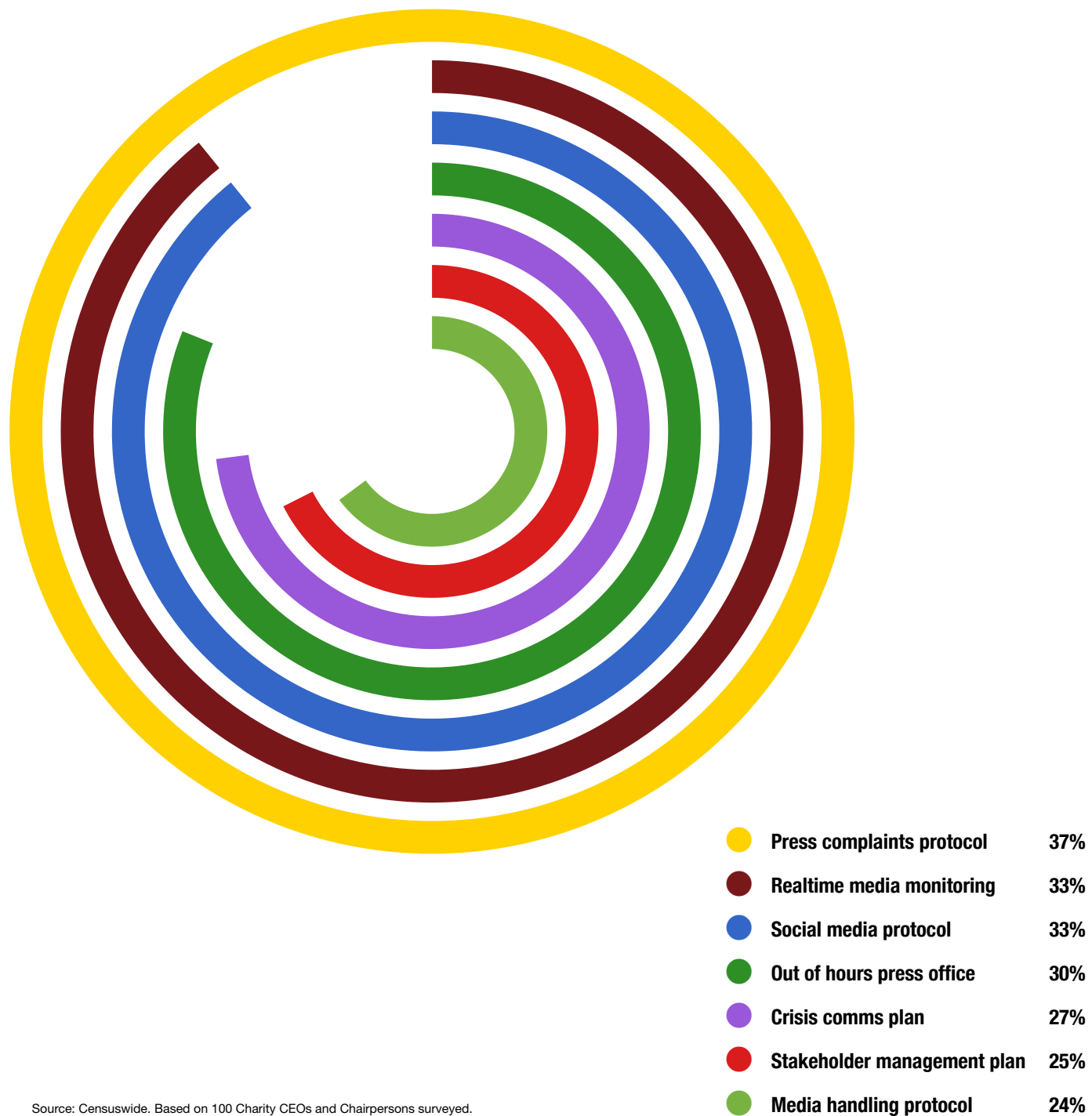
At worst, frustration from employee activists will lead to hostile briefings to the media, which can bring serious reputational challenges. Often, frustrated activists will not only brief journalists on their core complaint but compile a list of grievances to create an impression of organisational chaos. While the media will have regard to a charity's obligations, that may not be sufficient to stop publicity.

The fact of employee unrest will be enough to merit coverage, making it essential that charities are prepared well in advance of media approaches. However, a Freedom of Information (FOI) Act request made by Alder found that in the last reporting year, **77.5% of charities who submitted a serious incident report to the Charity Commission had no media handling or press lines prepared.**

Figures for the previous two reporting years are similar, with 77.90% of charities lacking media preparation for their serious incident in 2021-22, and 79.64% in 2022-23. The FOI also revealed that of those charities that reported criminal activity in the past year, over a third had not prepared any media response. Charity leaders also said that they are lacking in crisis preparation: **only 24% of leaders have a media-handling protocol in place, 27% have a crisis communications plan, and just 30% have an out-of-hours press office.** The most precious resource leaders have in a crisis is time – with stakeholders and the media barraging with questions, anything that can be done to prepare in-house teams in advance will mean more time and energy can be directed where it's most needed.

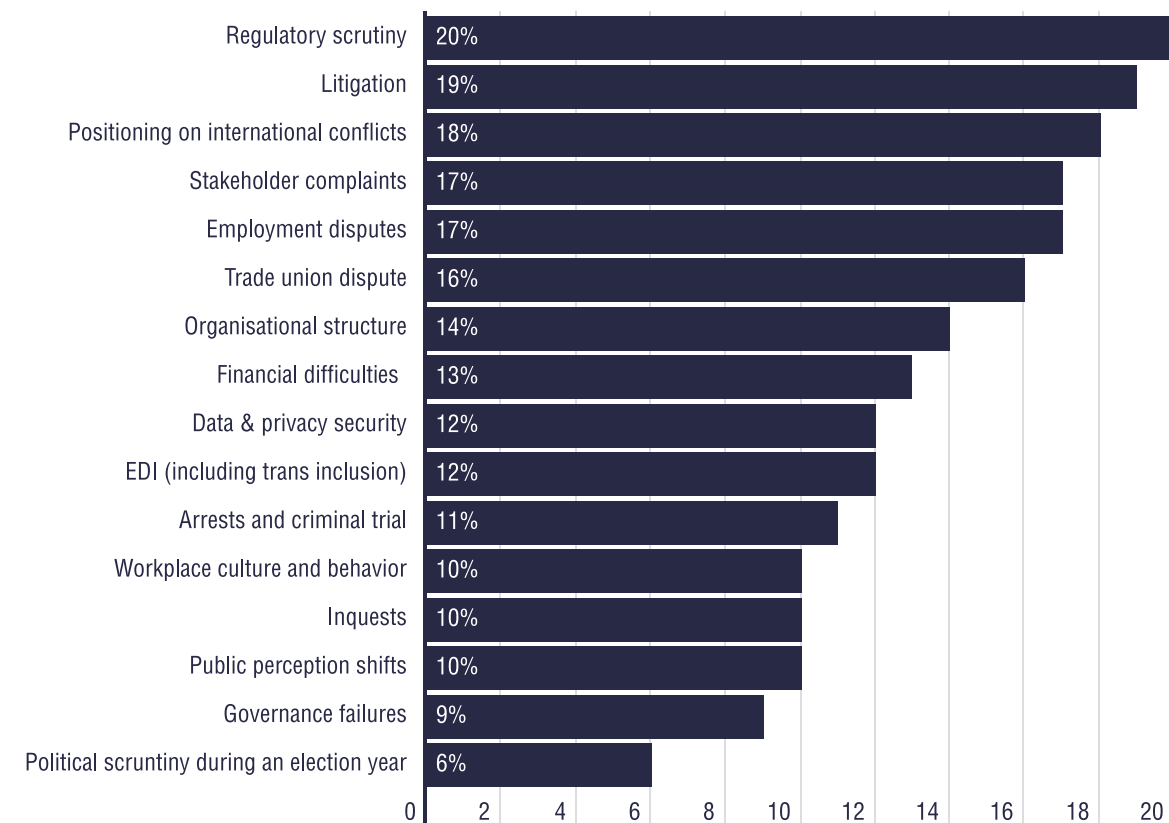
In the event of a reputational crisis, which of the following, if any, do you have in place to help you manage your crisis response? (Select all that apply)

 None of the respondents selected all answers for this question



Source: Censuwide. Based on 100 Charity CEOs and Chairpersons surveyed.

What areas, if any, do you feel your charity is most vulnerable to in terms of reputational risk? (Select up to three)



Source: Censuwide. Based on 100 Charity CEOs and Chairpersons surveyed.

Recommendations

- > Take steps to close the expectations gap before issues arise.
Prevention is better than cure.
- > You will want to engage your legal and PR advisors at the first sign of employee activism. Your legal team will be able to give you a clear steer on what you can and cannot do, but this will need to be communicated in the right way. Ensure you have expert counsel to advise on different ways of conveying your message, segmenting your audiences, and maintaining control of the narrative.
- > When framing your communications, refer to sources of authority, e.g. the Charity Commission, charity law, and employment law.
- > Enable media monitoring if you have reason to believe a media story or social media complaint is likely.
- > Implement a social media policy. Employees should have clear guidance on appropriate use of social media channels.
- > Ensure you do not get bounced into reaction by stunts or threats.
Once you have communicated your message, hold the line.

CONTACT US

If you have questions or concerns about managing employee activism, contact a member of our specialist charities team for a free, no-obligation conversation.

Email enquiries@alder-uk.com or call us on 020 7692 5675.