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BUSINESS COMMENTARY

AT&T AND ITS BRETHREN PUSHED THROUGH TAX CUTS IN 2017. WILL THEY TACKLE RACIAL JUSTICE NOW?

By Mitchell Schnurman, June 7, 2020

Just say it, said Randall Stephenson: “We got a problem.”

The CEO of AT&T, like many business leaders, went public last week with his disgust about racism and violence in America. If the words sound familiar, maybe it’s because Stephenson used almost the exact language four years ago in the wake of police killings in downtown Dallas.

In 2016, he made national news by acknowledging the problem of racism and urging employees to not just be tolerant. “Move into uncomfortable territory,” he said, and really confront the issue of race.

This time, he went further, calling on executives to use their levers of power beyond their own walls.

“Companies like AT&T and others, we’re very adept at effecting change in Washington — if it’s a priority,” Stephenson said on CNBC.

Addressing injustice is now a priority, he said, because of the moral urgency and the threat that social unrest poses to the economy.

“We have an imperative to begin to use our muscle and our influence” to create policy changes and laws, he told the network. “We as business leaders are gonna need to put our shoulder into this and begin to try to move the ball.” Randall Stephenson, CEO of AT&T.

Is corporate America ready to galvanize around a broader social agenda?

On Friday, the Business Roundtable, a group of leading CEOs, created a special committee to advance racial equality and justice.

“What we see is a moment here, a moment where we can make a bigger difference,” Doug McMillon, CEO of Walmart and chairman of the Business Roundtable said on CNBC.

Doug Parker, CEO of American Airlines, said businesses should band together “to make sure that we are lobbying our government to do what’s right, as a country, and we will do that.”

That’s a promising notion. Recall how U.S. businesses threw their weight behind tax reform in 2017. That bill, which appeared to be stalled, eventually cut the corporate tax rate by over a third.

AT&T hosted a town hall meeting at its Dallas headquarters with the top tax writer from Washington. About 160 attended and more than 15,000 AT&T employees tuned in to the webcast. Stephenson, who’s retiring as CEO at the end of the month and will continue as executive chairman, urged listeners to call Congress, and the lawmaker said the tax cuts would unleash the economy and make America more competitive.

“As a CEO and a businessman, I listen to you talk and want to stand up and say, ‘Hallelujah,’” Stephenson said at the time to Rep. Kevin Brady.

Can executives muster that kind of enthusiasm for social change?



Protesters supporting Black Lives Matter blocked an intersection at Klyde Warren Park last week. Companies around the country voiced their support of peaceful protests, and some — including AT&T and American Airlines — pledged to push for policies and laws to address injustice. (Tom Fox / AP)

Historically, business has focused on generating shareholder returns, often avoiding controversial topics that could alienate customers.

But corporate activism and corporate social responsibility have been growing in recent years, in part because consumers and employees want to support companies that also support their values. One example: Business played an important role in advocating for LGBTQ rights, both nationally and in Texas.

After the recent killing of George Floyd in Minneapolis, many CEOs and companies released statements and letters to employees, denouncing violence and affirming their solidarity with black lives.

From Ben & Jerry’s to General Motors, Etsy to Microsoft, executives spoke out in much bigger numbers and often more forcefully than in the past. That includes six years ago, after Eric Garner was killed by police in New York in a similar incident caught on video, said Yusuf George, managing director of corporate engagement at Just Capital.

The New York nonprofit ranks companies by how they treat employees, consumers, communities and the environment. The rising chorus over Floyd’s killing represents a big step forward, he said.

“It’s utterly important that companies not stay silent at this moment,” George said. “But way more than a statement is necessary. People are looking for leadership from these companies — and they have the ability to leverage their influence, their power and their dollars,” [Yusuf George, managing director of corporate engagement at Just Capital] said.

The next move should be toward concrete steps to address systemic injustices, George wrote in Forbes. That includes recruiting more black voices, especially at the board and executive level. And compiling more data on pay, race and gender, and being transparent with the results.

Harvard Business Review captured the times last week with a report titled: “U.S. businesses must take meaningful action against racism.”

“Leaders must not only offer physical and psychological safety,” the authors wrote. “They also have the power and platform to lead change.”

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MANY CEOS SAID THE RIGHT THINGS ABOUT GEORGE FLOYD'S KILLING, BUT THEY HAVE TO FOLLOW UP WITH MORE THAN WORDS.



Antoine Joyce is vice president and city leader of the All Stars Project of Dallas

Antoine Joyce, vice president and city leader of the All Stars Project of Dallas, spoke at a February 2020 orientation event for participants in the group's Development School for Youth program. (All Stars Project)

Antoine Joyce, who grew up as a self-described poor kid in New York, helps lead a youth development program, the All Stars Project of Dallas. In an op-ed last week, he wrote, "What's it going to take?"

"Floyd couldn't breathe. And we are choking with grief and anger."

He said the wounds are real and deep, but the healing process can start in Dallas — with his group and many others that seek to improve education, create affordable housing, combat poverty and more.

About 55 businesses support his leadership program and over 150 executives support other youth efforts. Such programs can open the eyes of young people who've never stepped into a Dallas office tower.

When Joyce takes them for a company visit, "They see that people in those buildings care about them," he said, "and that changes how they see themselves and the world."

He asks how many people of color they see. Usually, there are few, and he tells them that's why they must work hard to get into such places.

That would benefit them, of course. But he believes it's part of the bigger solution.

"When they're at the table, these companies will change, too," Joyce said.

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