

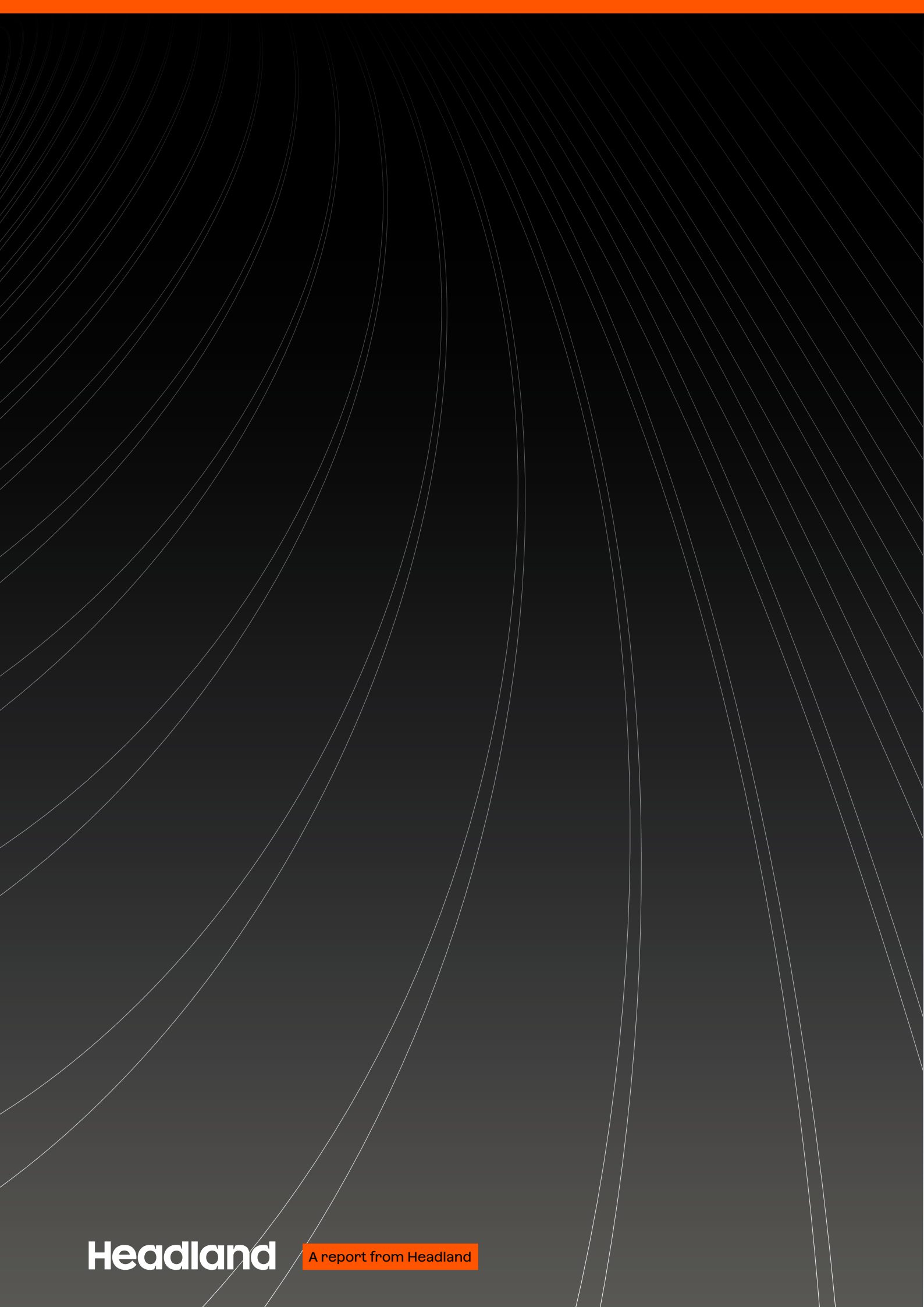


Headland

The Collaborative Corporate Series

Collision Course: Collaboration in a Polarised World

APRIL 2025



Headland

A report from Headland

Foreword

If you were to exist solely in the realms of social media, you may believe the world is one of pure dichotomy, structured on confrontation and division. Your side's interpretation of events and news is the right one, and the other's is not just errant, but conspiring to be so.

Of course, there remains much common ground in public dialogue and balanced portrayal of the news still carries great currency. But polarisation is very real, piercingly loud and, for business leaders, increasingly difficult to foresee and navigate.

In late 2023, working alongside Dr Ben Shenoy, visiting professor at the LSE and an expert in complexity, we launched the Collaborative Corporate. We painted a picture of how businesses can thrive in building relationships, reputation and revenue against the backdrop of today's Grand Challenges – from the climate emergency to the adoption of AI.

How can a business build its reputation and thrive in a world where the demand for collaboration collides with division?

Since then, the pace of change has not abated. The sophistication and adoption of AI has increased; worsening climate has impacted people across the globe through events such as flooding in Valencia and wildfires in LA; political change in various countries has highlighted the ongoing march of populism; and this populism has often emerged hand in hand with a backlash against the “woke” agenda.

Against this backdrop, we wanted to explore what it takes to be a Collaborative Corporate in a world which is increasingly polarised.

Plenty has been written about the topic, and the implications of polarisation for public debate, social cohesion, truth and the future of democracy. And there has been reams of analysis of brands who have fallen foul of misreading or overlooking the culture wars. But much less has been written about how to face into and manage polarisation as a business.

This report focuses on precisely this. How can a business build its reputation and thrive in a world where the demand for collaboration collides with division? In exploring this question, we've reviewed literature on polarisation and conducted polling and research among the general public in both the UK and US.

True to our values at Headland, this has been a collaborative endeavour, and I would like to thank Ben for his patience and partnership as well as numerous colleagues at Headland for their insightful inputs.

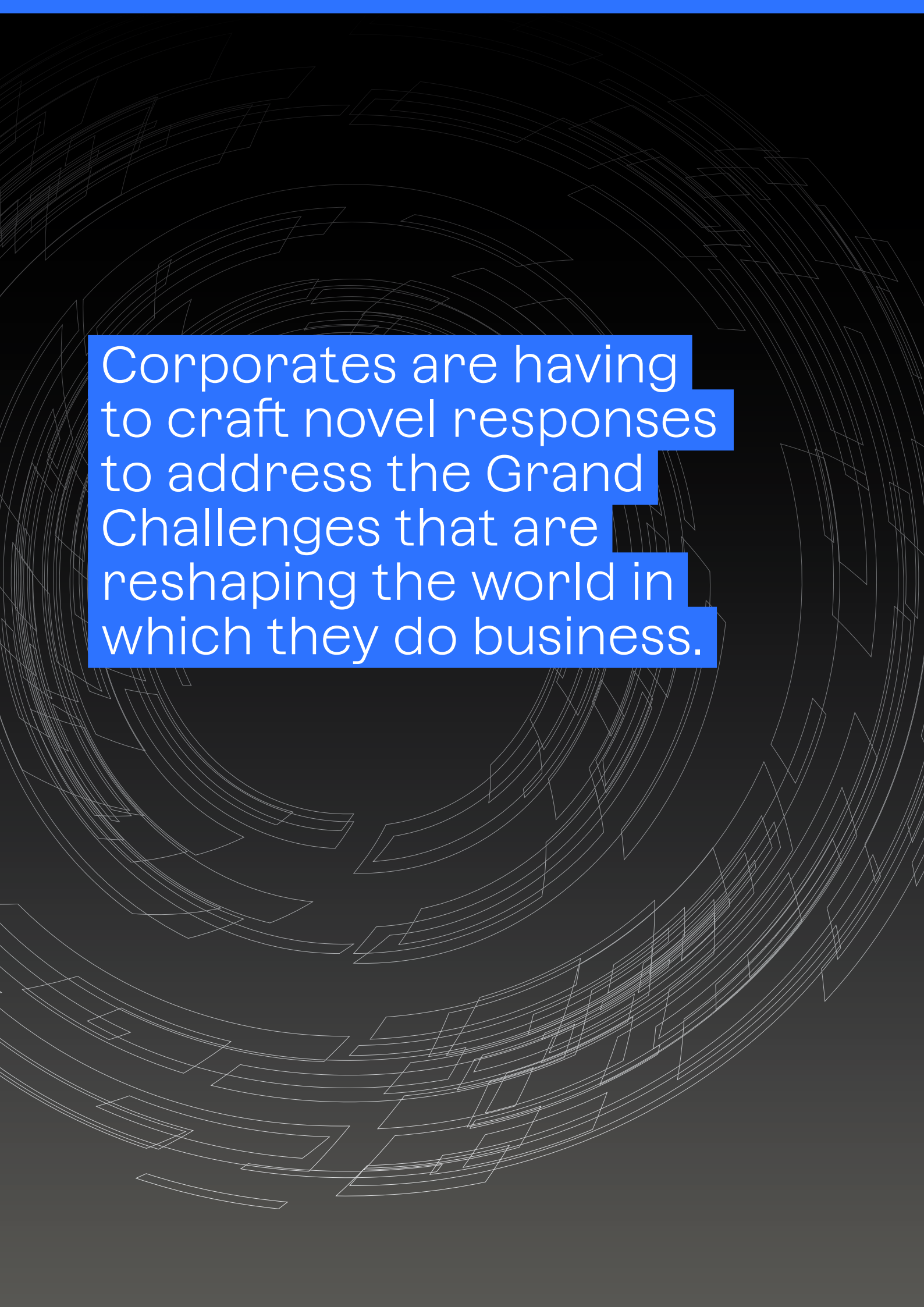
We hope our clients find common ground with us on some of the advice it contains.

Dan Smith,
Deputy CEO Headland



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The background features a complex, abstract pattern of concentric circles and overlapping, slightly offset lines, creating a sense of depth and movement. The lines are thin and light gray, set against a dark gray background. The overall effect is reminiscent of a tunnel or a futuristic architectural structure.

Corporates are having to craft novel responses to address the Grand Challenges that are reshaping the world in which they do business.

Executive Summary

Corporates are beset by a confusing array of shared crises and challenges: the climate emergency, geopolitical tensions threatening supply chains and markets, societal fracturing and visions of an Artificially Intelligent future. These disruptive trends foreshadow the reshaping of markets, societies and ultimately potential planetary failures. Corporates are having to craft novel responses to address the Grand Challenges that are reshaping the world in which they do business.

Grand Challenges demand grand action: a willingness for a corporate to collaborate outside its immediate comfort zone in order to drive meaningful change and progress. They won't be solved by individual players taking small actions in limited spheres. Grand Challenges demand deeper, more intense levels of collaboration from businesses, not only with their existing stakeholders but also with other participants that might not sit within the traditional boundaries of their sector. This greater collaboration, across the wider ecosystem, is a prerequisite for success in an increasingly entangled business world and is necessary to both protect and build value. It also requires finding common ground with stakeholders and third parties – even those with whom there might be little initial trust.

The Grand Challenges that businesses are working to address are also contentious areas of public debate. This often creates or overlaps with emotive, polarised conversations. By leaning into the need to be increasingly collaborative, a business also opens itself to polarisation risk. Well-intentioned efforts to address Grand Challenges can quickly unravel in the febrile court of public opinion, shaped on social media – where the lines between business, finance, politics, society and culture are blurred.

Social echo chambers increase polarisation risk: rapid surges in sentiment based on identity-led opinion – often from progressive activists on the left and extremists on the right – can become coupled with the rapid, unchecked spread of misinformation and disinformation. Any business action is therefore subject to both traditional stakeholder scrutiny and – potentially – a wider judgement by a much broader church of powerful, polarised opinion.

Businesses have to navigate the potential collision course between acting in a spirit of ecosystemic collaboration to thrive in the face of today's Grand Challenges and the polarised way in which information travels across today's fragmented media channels. Knowing when polarisation risk crosses a threshold, opening up an issue or action to a firestorm of criticism that could destroy value is a crucial part of modern-day corporate affairs. Several battlegrounds have emerged where polarisation has made the going especially tough for corporates: Planet, Purpose, Promotion, People and Politics.

In such a potentially hostile environment, corporates may instinctively seek to withdraw defensively from collaboration. It feels uncomfortable and risky, and it may feel better to say and do as little as possible and narrow the zone of engagement.

Any business action is subject to both traditional stakeholder scrutiny and – potentially – a wider judgement by a much broader church of powerful, polarised opinion.

Executive summary (continued)

However, as we discuss in this report, collaboration is the counterintuitive antidote to polarisation. The good news is that collaboration – and deploying collaborative corporate behaviours – comprises the core of how to navigate and succeed in today’s polarised environment.

We describe a playbook, explaining how to convene a corporate’s ecosystem and communicate in a way that is attuned to the potential for polarisation: by finding common ground and connections, opening up constructive dialogue, raising the level of discourse. To be clear, collaboration is a means and not an end – it is a crucial facet in building a reputation that is strong and endures, enabling a business to thrive.

Polarisation cannot be side-stepped. Consensus is not always a realistic ambition: this is not about diluting principle. However, a Collaborative Corporate can navigate the minefield of polarisation effectively and chart a way through that stays true to their values, execute their strategy more effectively and ultimately bring solutions to our Grand Challenges within closer reach.

... collaboration is a means and not an end – it is a crucial facet in building a reputation that is strong and endures, enabling a business to thrive.

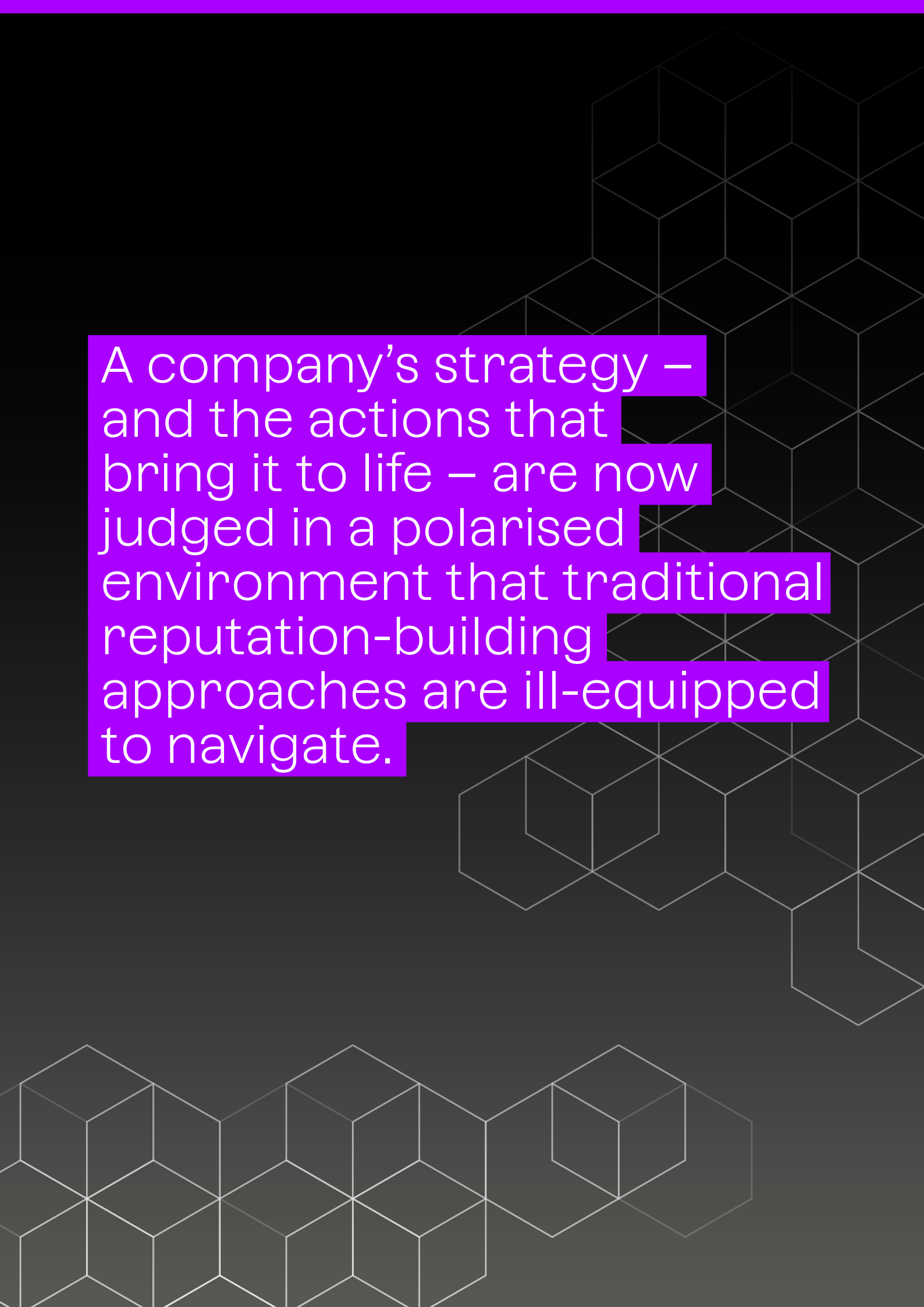
The five big takeaways

Key takeaways for Corporate Affairs Directors	Key takeaways for business leaders and the C-Suite
Unpack the facets of polarisation risk through data and insight, to aid judgement calls on communicating actions and initiatives	Enable cross functional teams to jointly assess the polarisation risk inherent in your business strategy
Map your wider ecosystem, well beyond traditional stakeholders, to discover the individuals and influencers who carry polarised opinions relating to the issues and values of your organisation	Encourage the business to look beyond traditional sectoral boundaries to identify potentially problematic third parties who have highly polarised opinions
Understand the identity-led values of your key stakeholders – especially large stakeholder groups such as customers, employees and investors	Understand the identity-led values inherent in the heritage of your brand and business
Invest in the skills and capabilities required to be able to either depolarise opinion or harness polarised opinion, including ‘stretch’ collaboration and the convening of third parties	Know the topics and actions inherent in your business strategy upon which you need to turn down the heat, and those upon which you may wish to harness polarised opinion
Craft and test messaging which can appeal to the identity-based values of your most polarised stakeholders	Be long-termist – communicate consistently and in line with your organisation’s values and strategic priorities whilst being fleet of foot in response to rapidly changing events

Executive summary (continued)

Key terms

<i>Affective polarisation</i>	The phenomenon of individuals having positive feelings towards peers sharing their political identity, and negative feelings towards peers having different political identities.
<i>Collaborative Corporate</i>	A Collaborative Corporate unlocks value – financial, social and environmental – by addressing the Grand Challenges that impact the wider ecosystem in which it does business.
<i>Collaborative advantage</i>	The commercial and reputational edge which stems from pursuing meaningful collaboration with the actors in its external world, in order to positively impact – or even transform – a corporate’s relationships, reputation, and revenue.
<i>Convening power</i>	A corporate using its reputation to engage with a wide variety of participants from across its ecosystem in order to tackle a Grand Challenge.
<i>Dual muscle</i>	Referring to the corporate affairs’ function’s ability to have two ‘playbooks’: namely, combining its traditional reputational toolkit (including the classic tactics of protection and promotion) with an emerging set of techniques geared towards engaging with its wider ecosystem.
<i>Ecosystem</i>	The wider arena across which a Grand Challenge needs to be addressed – this typically goes beyond the corporate itself, its supply chain and its sector.
<i>Grand Challenge</i>	The essence of the most challenging, intertwined issues facing corporates. Grand Challenges are typically multifaceted, contradictory and anomalous.
<i>Ideological polarisation</i>	A division of opinion based on beliefs or policies, rather than political identity (c.f. affective polarisation).
<i>Political identity</i>	A form of social identity marking membership of a group based on shared political beliefs.
<i>Social identity</i>	How individuals categorise themselves and others based on their group memberships.
<i>Polarisation risk</i>	The reputational risk arising from a business acting in an ecosystem where polarisation – and typically affective polarisation – exists between stakeholders and participants
<i>Stretch collaboration</i>	A willingness to enter into a relationship – often with numerous parties – without an expectation that there will be an outcome, but merely acknowledging there is a problem to be solved.



A company's strategy –
and the actions that
bring it to life – are now
judged in a polarised
environment that traditional
reputation-building
approaches are ill-equipped
to navigate.

Section 1: Tension in today's business environment: Polarisation and collaboration collide

1.1 Effective collaboration in a polarised world

Most corporates are adapting in the face of the Grand Challenges that are shaping the world in which they do business.

Companies have been implementing strategies – and building external relationships and collaborations – to deal with them for numerous years. Indeed, many are in the process of implementing new strategic plans to adapt and thrive in the face of these shared, disruptive trends. Some have successfully pivoted to set themselves up to succeed in the face of the climate emergency and energy transition, to harness shared technologies such as Artificial Intelligence (AI) or thrive as societal norms evolve, for example, on issues connected to diversity, equity and inclusion (DEI).

This demands higher levels of collaboration from businesses with both existing stakeholders and others who might not have traditionally sat within the definition of their external operating environment. And it demands that stakeholders and participants actively seek – often previously undiscovered – common ground to collectively address the shared challenge which is driving them together.

In last year's report, *The Collaborative Corporate*, we laid out a roadmap for how businesses can respond to, and thrive, in the face of Grand Challenges – the most challenging, intertwined issues facing society, which are typically multifaceted, contradictory and anomalous. We argued that, not only do firms need to engage with a broader set of participants, but they need to engage with them more *deeply*. Whereas a Conventional Corporate often builds

Tension in today's business environment: Polarisation and collaboration collide (continued)

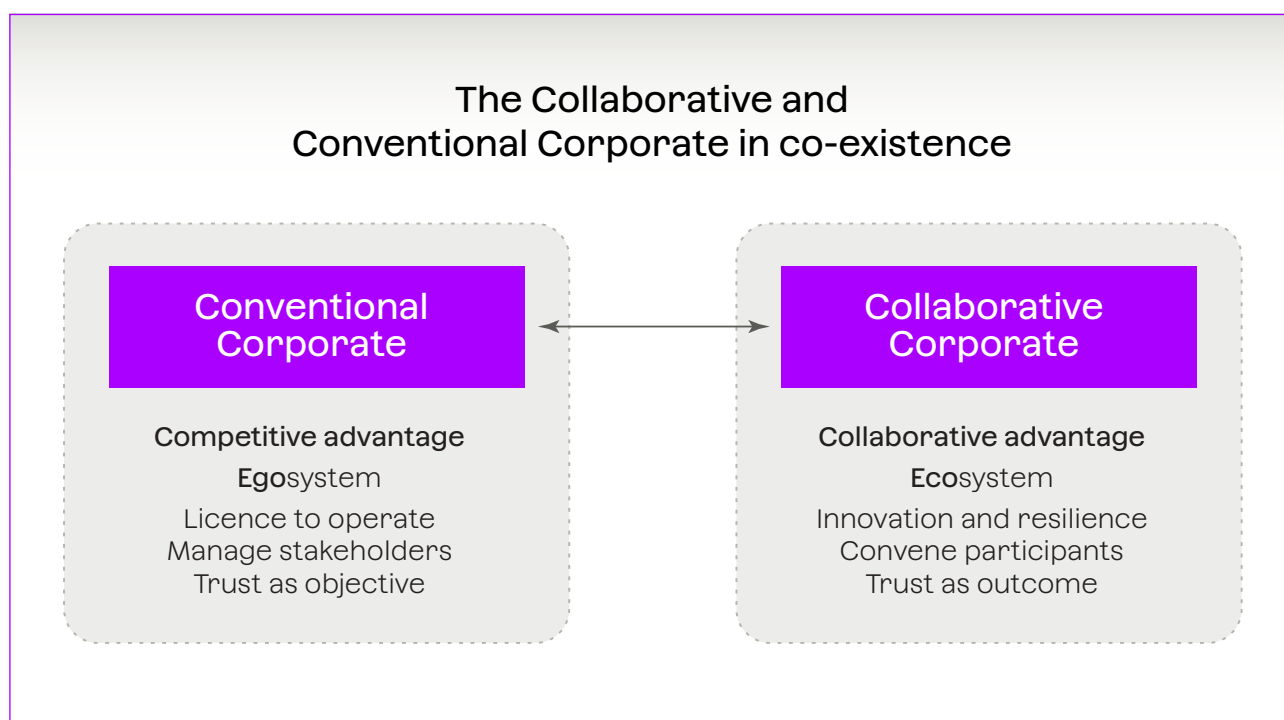
transactional relationships with stakeholders, the Collaborative Corporate is more constructive and committed to building long-term relationships with a broad set of participants. It actively seeks to convene others, recognising the influence it has within the ecosystem in which it operates.

We went further – we said that the Collaborative Corporate is unafraid of building close relationships with potentially divergent, or even opposing, interests. This stance is not easy – it requires the courage to start a dialogue with participants with potentially minimal common objectives. It also demands a commitment to 'stretch collaboration' – a willingness to enter into relationships without an expectation that there will be an outcome, but merely acknowledging there is a problem to be solved.

We recognised the need for businesses to be able to develop a 'dual muscle' approach – simultaneously being an effective Conventional Corporate AND an impactful Collaborative Corporate.

This 'dual muscle' applies especially in the way businesses think about building their relationships and reputation. Success comes from the bravery to undertake deep collaboration with 'unusual suspects' – including the competition, critics and out-of-sector organisations – to create ecosystems capable of addressing the Grand Challenges facing society, whilst at the same time continuing to engage with 'traditional' stakeholders in a way which supports the core elements of business performance.

However, collaboration has been made harder by the pervasive polarisation of our cultural, political and media landscape. Well-intentioned attempts to address Grand Challenges can quickly unravel thanks to a febrile court of public opinion, intensified by the technology through which information now travels. On a minute-by-minute basis, expressions of rigid political identities and bias are embedded in the information we consume, with rapid, real-world impact. This is evidenced by the recent backlash against climate and DEI initiatives, which has had a significant impact on how corporates are behaving and communicating about their shared challenges.



Tension in today's business environment: Polarisation and collaboration collide (continued)

1.2 The complexity of telling a corporate's story in a polarised world

Andrew, a Cumbrian dairy farmer – whose farm is part of the supply chain of global dairy cooperative, Arla – often worries about the climate impact of methane emissions from his herd, as well as the way that food is produced in the UK.

Methane is more than eighty times more potent a greenhouse gas (GHG) than carbon dioxide and adult cows can release as much as 500 litres a day. To address this, Arla recently announced that, as part of its ambitious work to reduce emissions, it was working with a small number of its UK farmers and supermarkets to trial a methane-reducing feed additive. The feed supplement, Bovaer, can suppress up to 30% of methane production and had undergone rigorous safety evaluations to be approved in over 65 countries, including the EU, USA, Switzerland and the UK. Andrew is enthusiastic about the trial in which he is taking part, as he seeks a more sustainable farming model, but other farmers are less convinced.

So far, so good. But on announcing its initiative, Arla faced a swift and vociferous firestorm, with many people expressing health concerns and some calling for boycotts of Arla products.

As is often the case with conspiracy theories, a kernel of truth can spiral into a maelstrom of misinformation. Among the wilder – baseless – stories circulating on social media was the claim that Bovaer is part of a “depopulation” plot, linked to US billionaire Bill Gates (who has funded a competitor to Bovaer called Rumin8). Misinformation about Bovaer's ingredients and financial backers saw consumers binning cheese and butter and pouring milk down the drain whilst sharing their actions on social media platforms. As the backlash gathered momentum, there were calls for boycotts of supermarkets and coffee chains selling Arla products, including some of its household brands like Lurpak.

Of course, it wasn't just Arla that was impacted – independent retailers selling Arla products were also caught up in the controversy, as were farmers who are members of the Arla cooperative but not participating in the Bovaer trial. As the misinformation wagon gathered speed on social media other companies, such as organic company Yeo Valley, were wrongly linked to the trial.

Underlying these tensions across a variety of stakeholders, the conflict between different groups was driven by deeper issues. These issues tapped into conflicting values and social identities:

- (a) those concerned about the climate crisis vs. others with a growing scepticism and distrust about food additives and chemicals in food;
- (b) those who wanted to advocate for evidence-based science vs. others who had a suspicion of expertise and authority; and
- (c) those who valued freedom to consume what they wished vs. standards set by businesses or regulators.

Underpinning this plethora of issues were even deeper aspects of conflicting political identities, which could be summarised crudely as ‘woke’ vs. ‘anti-woke’ – contrast Arla's stance with the position of former UK Reform MP Rupert Lowe, who stated that he “won't be consuming anything containing Bovaer” and calling on the Department for Environment, Food & Rural Affairs (Defra) to carry out “an urgent review of its use.”

The furore highlights the problems of polarisation risk not just for individual companies, but for an entire industry ecosystem. And Arla is not alone in finding that a laudable goal is met with hostility and suspicion. A company's strategy and the actions and initiatives that bring it to life are now judged in a polarised environment that traditional approaches to building reputation are often ill equipped to navigate.

Tension in today's business environment: Polarisation and collaboration collide (continued)

1.3 The collision course: collaborative action meets polarised opinion

Indeed, the Grand Challenges that businesses are leaning into and collaborating to address, are increasingly contentious areas of public debate, which often create or overlap with emotive, polarised conversations.

As Arla's experience demonstrates vividly, leaning into the need to be increasingly collaborative, a business also opens itself to **polarisation risk**, whereby communicating corporate initiatives and actions bump into the outward expression of the overlapping identities and ideologies of individuals, influencers and movements.

Polarisation risk is, of course, amplified because of the structure of today's fragmented media, which instantly blurs the lines between business, finance, politics, society and culture. Anything an organisation communicates can be used as wider evidence of a threat to the values and beliefs of vocal groups. And it is in social media's echo chambers where polarised opinions can lead to rapid surges in sentiment, based on identity-led opinion and unchecked disinformation. Any business action is therefore subject to both traditional stakeholder scrutiny and – potentially – a wider judgement by a much broader church of powerful, polarised opinion.

In today's political climate, some businesses are retrenching from commitments on Grand Challenges relating to climate, sustainability and social issues. Given this, it may appear to some that a 'dual muscle' approach is unnecessary to build relationships, reputation and support the bottom line.

Polarisation risk is of course amplified because of the structure of today's fragmented media landscape instantly blurs the lines between business, finance, politics, society and culture.

Yet saying nothing and adopting short-termism in the face of political change and an increasingly polarised public sphere carries potentially greater commercial risk over time. Grand Challenges are embedded, long-term, complex challenges which will play out through many waves of political change and shifts in sentiment. External complexity demands a greater level of external collaboration and retreating inwards exposes businesses to the risk of becoming less resilient and agile in the face of a world rife with volatility, uncertainty, complexity and ambiguity.

As Arla's example shows, the inevitable collision course between collaboration and polarisation is ever present for business.

The question is: what should business and communication leaders be considering in order to thrive in the face of the colliding forces of collaboration and polarisation?

... the Grand Challenges that businesses are leaning into and collaborating to address, are increasingly contentious areas of public debate, which often create or overlap with emotive, polarised conversations.

Section 2:

What is polarisation?

Before we delve into the implications of polarisation, we should define what the term means and where polarisation risk most commonly expresses itself to the wider world.

Polarisation occurs when beliefs or opinions coalesce into sharply contrasting distinct groups with little or no common ground between them. The beliefs are deeply and passionately held, forming part of the holder's psychological identity and are often expressed forcefully, leading to acrimonious vilification of anyone contradicting them.

Polarisation occurs when beliefs or opinions coalesce into sharply contrasting distinct groups with little or no common ground between them. The beliefs are deeply and passionately held, forming part of the holder's psychological identity and are often expressed forcefully, leading to acrimonious vilification of anyone contradicting them. Opposing views are not just different, or even wrong, they are "dangerous", "fake news", "a mind virus"; such rhetoric serving to rally support from the in-group and demonise the out-group.

In today's world, polarising opinion emanating from the two loose groupings of "progressives" and "conservatives" are ever present and often ferocious in tone. The more extreme sentiment – and dogmatism – within both groups drive sentiment to the poles, eroding common ground.

What is polarisation? (continued)

The psychology of polarisation

Polarisation can be broadly defined as the process where individuals' opinions or attitudes on issues, especially political or social ones, become more extreme and move towards opposite ends of a spectrum. This often results in a significant division between groups with increasingly opposing viewpoints and a reduction in tolerance towards those holding different beliefs.

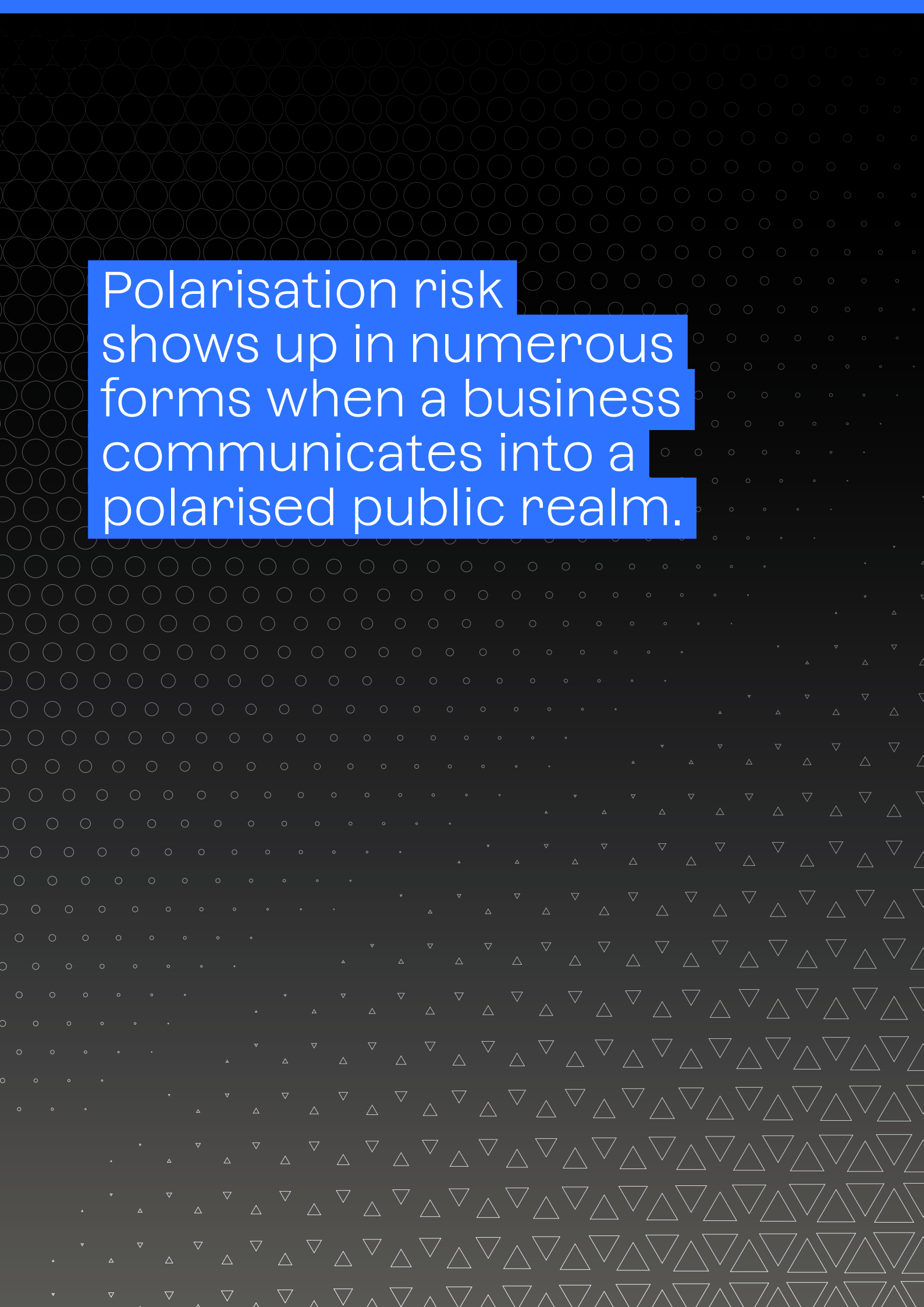
Polarisation can show up in a number of interconnected ways:

- **Social polarisation:** The widening of differences in viewpoints between social groups, leading to more extreme and opposing stances, characterised by a decreasing tolerance for differing views, with opposing groups often seen as threats.
- **Ideological polarisation:** This focuses on the growing differences in the political opinions between distinct groups, often measured by the distance between policy positions. It can also involve individuals holding consistently conservative or liberal views across various issues.
- **Affective polarisation:** The increasing negative feelings and animosity that individuals within one political group hold towards those in an opposing political group. It goes beyond mere disagreement on policies or ideologies and involves a deeper sense of dislike, distrust, and even moral outrage directed at the opposing group and its supporters.
- It turns out that affective polarisation is a stronger predictor of polarised attitudes than ideological polarisation, and that political identity is a strong predictor of affective polarisation. In other words, an individual's identity is more likely to explain their attitude on a polarised topic than the beliefs they hold.

Differing views have always existed – what's new?

Societal divisions based on factors like ideology, ethnicity and class have always existed, so what's different now and why does polarisation matter to business? A variety of factors are coming together to create a perfect polarising storm which has far-reaching implications for business.

- The speed with which opinions and (mis) information are disseminated around the world to an audience of millions via social media stirs emotion and can create a rapidly reinforcing feedback loop. Additionally, research has found that digital discourse tends to be more negative, aggressive and less empathetic than face-to-face interactions.
- The world is becoming more volatile and unpredictable which makes us seek certainty and there is a strong psychological link between uncertainty and polarisation. One way we respond to uncertainty is by retreating to our tribe – those with whom we identify – exacerbating divisions and leading to greater polarisation.
- Similarly, as part of our psychological make-up we can be more or less tolerant of uncertainty. Research has shown that people who are less comfortable with uncertainty, respond in more ideologically polarised ways. In other words, uncertainty aversion leads to information being processed in a more black-and-white, less nuanced way. This is exactly what polarisation is: an absolutist view with little or no acknowledgment of the grey zone in between.



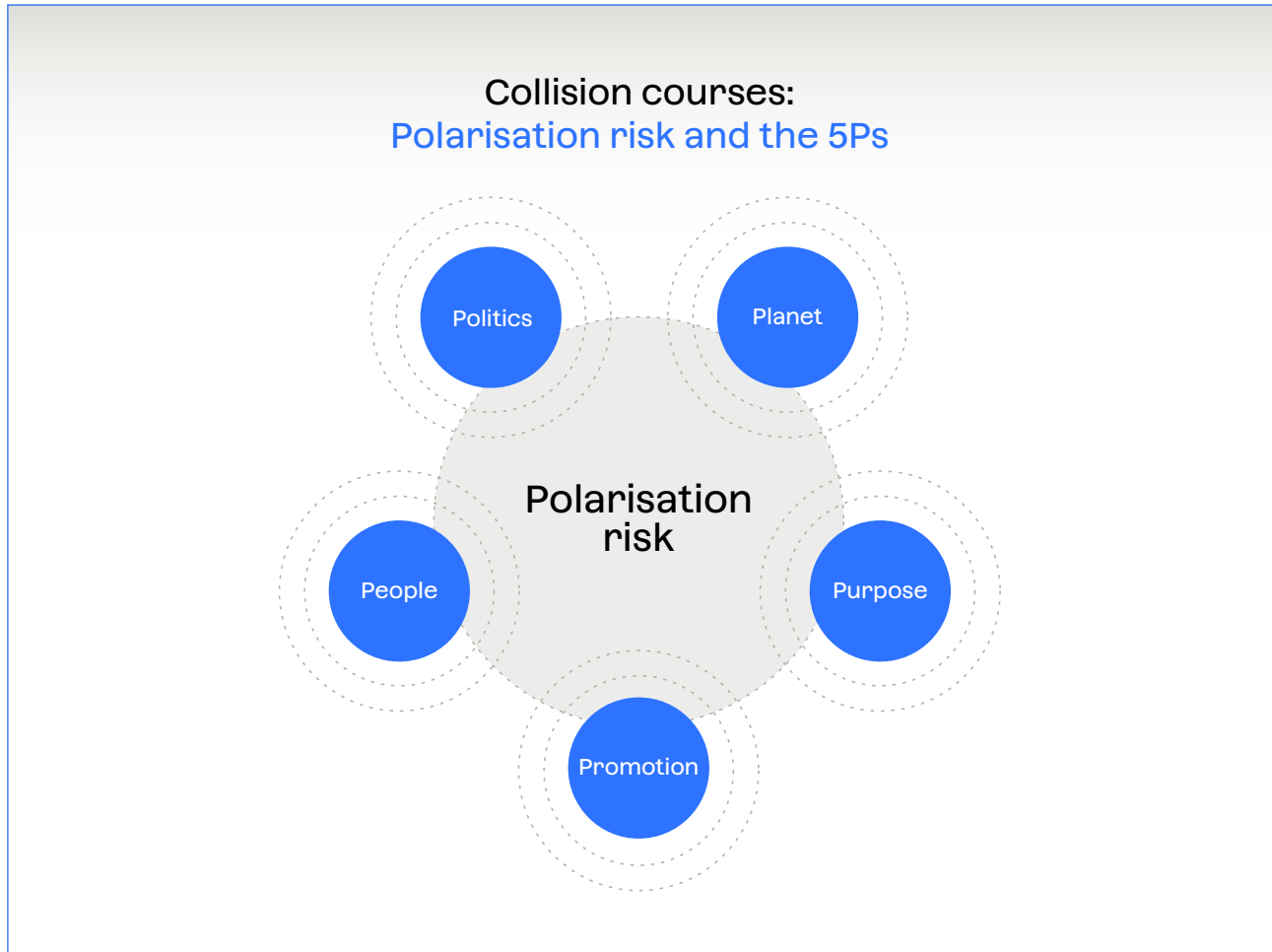
Polarisation risk
shows up in numerous
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Section 3:

Collision courses: Polarisation risk and the 5Ps

Polarisation risk shows up in numerous forms when a business communicates into a polarised public realm. These can be grouped into five polarisation 'collision courses' of which all business leaders need to be mindful.

Taking these in turn, we will briefly look at where polarisation collides with: Planet; Purpose; Promotion; People; and Politics.



Collision courses: Polarisation risk and the 5Ps (continued)

3.1 Polarisation collision course: Planet

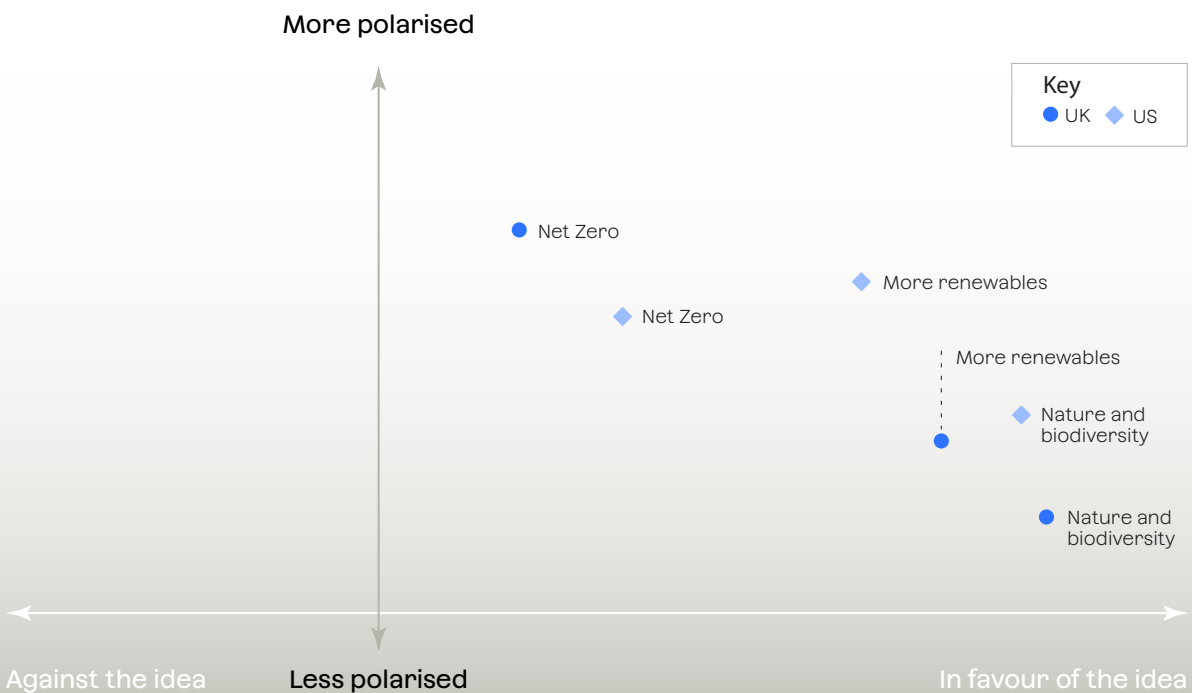
Nature of polarisation risk: Corporate actions to reduce its climate impact collides with identity-led sentiment relating to climate scepticism and/or climate activism.

Functional collaboration with Corporate Affairs required: Sustainability, Marketing, Legal and Regulatory Affairs, Supply Chain & Operations.

Planet and polarisation: what the data says...

Research carried out to inform this report among the UK and US public, shows that issues relating to the planet are where we see the most polarisation. This reaches a peak on the key question of companies supporting the shift to Net Zero, with consumers feeling, on average, mildly warm to the idea. But our Polarisation Index hitting mid-to-high 20s (the higher the score, the greater the extent of polarisation).

The US public are, as would be predicted, more polarised than the UK. But this is not consistent – the gap between UK vs US polarisation is starkest on the question of renewables, even though on average the views of the two countries are very similar. The polarisation gap on Net Zero is smaller, and both countries are less polarised on the question of protecting nature and biodiversity.



Collision courses: Polarisation risk and the 5Ps (continued)

Collision course example:

Agribusiness is, of necessity, intrinsically linked with the natural environment, but the food it produces is also inextricably tied to our own identity. What we eat defines us on many levels. It reinforces our familial, cultural, religious and political connections. As such, it is intensely emotive and has the power to be a highly polarising topic.

Food production also raises sustainability and climate change issues, as it is estimated to account for between 21% and 37% of global anthropogenic emissions, according to the Intergovernmental Panel on Climate Change. And from a climate change perspective, meat is particularly problematic.

Reducing meat consumption is a key recommendation to mitigate climate change. But few products have the polarising potential of meat – it connects to identities of masculinity, religion, regional and national pride and the concept of asking people to eat less of anything can be seen as an affront to personal liberty.

A few years ago, pork became a symbol of national identity in the polarised debate on immigration in Denmark. Pork is a traditional food in Denmark where there are nearly twice as many pigs as people. Thus, when it was revealed that a small number of children's nurseries had removed pork from their menus to make it easier to cater for children from different religious and ethnic backgrounds, some considered this an attack on Danishness itself. A heated debate dubbed the "meatball war" ensued over whether state institutions, such as schools and hospitals, should be allowed to stop serving pork, with the populist and anti-immigration Danish People's Party stating it was "unacceptable to ban Danish food culture".

The intensity of emotion around meat eating is what makes it socially polarised, and companies caught up in polarisation issues are also at risk of reputational and commercial harm from litigation. Danish Crown, Europe's largest meat processing company, found itself at the wrong end of a lawsuit brought by the Danish Vegetarian Society for misrepresenting the company's carbon footprint with marketing claims about their 'climate-controlled pig'. How such things influence individual consumers and stakeholders will depend on their own diverse values and concerns. But it illustrates the multifaceted landscape of competing and contradictory stakeholder interests that can impact all businesses.

The intensity of emotion around meat eating is what makes it socially polarised, and companies caught up in polarisation issues are also at risk of reputational and commercial harm from litigation.

Collision courses: Polarisation risk and the 5Ps (continued)

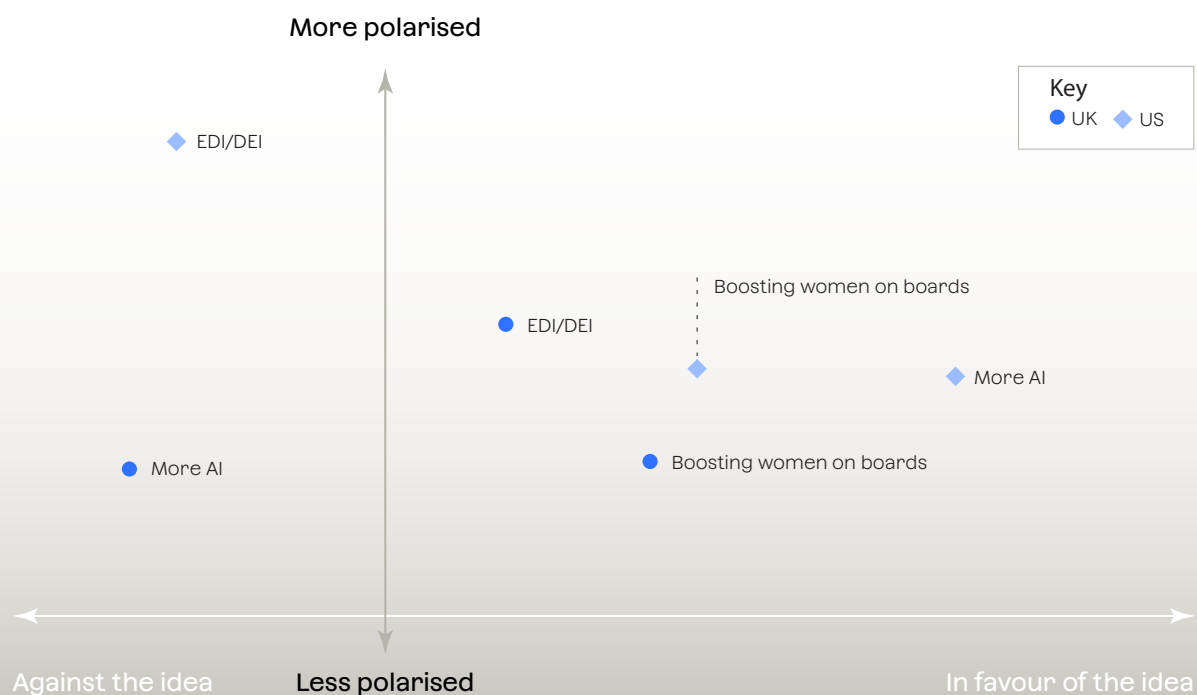
3.2 Polarisation collision course: Purpose

Nature of polarisation risk: Polarised views about the purpose of an organisation is politicised and shapes judgement of, and sentiment towards, a business's strategy.

Functional collaboration with Corporate Affairs required: Investor Relations, Legal and Regulatory Affairs, Sustainability.

Purpose and polarisation: what the data says...

Purpose is an area where the opinions of the general public of the US and UK differ significantly: the index of polarisation on Diversity, Equity and Inclusion (DEI) policies is significantly higher in the US than in the UK.



Collision courses: Polarisation risk and the 5Ps (continued)

Collision course example:

When Donald Trump declares “Drill, baby, drill” he is not only passing comment on US energy and climate policy, but also about what he believes the purpose of a business to be: to maximise profits for shareholders.

The dichotomy between stakeholder and shareholder capitalism has existed for many years. But the rise of populism has polarised – and in some markets, weaponised – the division. ESG has effectively gone from the darling concept of the investment world to a somewhat discredited term. The phrase “woke capitalism” has gathered incredible momentum.

Against this backdrop, when profitability becomes a focus of attention among a business’s stakeholders, polarisation risk is high.

In January 2022, Terry Smith, CEO of investment company Fundsmith, derided Unilever’s performance by passing comment on the “purpose” of Hellmann’s mayonnaise: “...a company which feels it has to define the purpose of Hellmann’s mayonnaise has, in our view, clearly lost the plot”. Other investors and pundits were quick to pile on, and the criticism spread from the investor domain to the wider world and on social media. The purpose Smith was referring to was ending food waste, which Hellmann’s has embraced. While Smith took aim at the mayonnaise his real concern was with the underperformance of Unilever’s share price in relation to rivals like Nestlé.

Whilst many investors and consumers came to Unilever’s defence and backed the firm’s purposeful integrity, the highly polarised debate continues to provide a backdrop for a company going through a period of sustained change of both strategy and leadership.

Navigating choppy waters is difficult enough, without the menace of heightened polarisation risk lying beneath the surface. However, with the continued US-centric backlash against ESG continuing and a tough economic environment challenging the bottom lines of numerous consumer-facing industries, Unilever’s experience will not be an exception over the coming months and years.

Navigating choppy waters is difficult enough, without the menace of heightened polarisation risk lying beneath the surface.

Collision courses: Polarisation risk and the 5Ps (continued)

3.3 Polarisation collision course: Promotion

Nature of polarisation risk: Product and brand marketing/marcomms activity advertise in a manner which: errantly or tonally-inappropriately plays into polarised societal issues; and/or becomes embroiled in tangential polarised issues which are playing out in the wider world; and/or grates with the identity biases of the brand's core consumer base.

Functional collaboration with Corporate Affairs required: Marketing, Sales.

Collision course example:

In the echo chamber of the marketing and advertising world, acres of analysis have been written about how brand and product marketing campaigns have overlooked the inherent polarisation risk of their activity. From Bud Light being boycotted after associating itself with transgender TikTokker, Dylan Mulvaney, to Jaguar's recent relaunch, many household-name brands have felt the full force of today's polarised environment.

In the echo chamber of the marketing and advertising world, acres of analysis have been written about how brand and product marketing campaigns have overlooked the inherent polarisation risk of their activity.

But perhaps the most interesting example of polarisation risk in marketing of recent years is the Marks & Spencer 2023 Christmas advert, because it shows how difficult it can be to foresee the lurking polarisation risk which exists across social media platforms.

Marks & Spencer teased their 2023 festive advert with a still shot showing Christmas paper hats burning in a grate. The theme of "Love Thismas, (not Thatmas)" set to a cover of Meatloaf's 'I Would Do Anything for Love (But I Won't Do That)', by Ray BLK, was to ditch those elements of Christmas that you hate (be it writing Christmas cards, the Elf on a Shelf, or charades) and instead embrace the traditions that work for you and your family. The advert featured a star cast including Helen Waddingham, Sophie Ellis-Bextor, Tan France and Zawe Ashton. Unfortunately, the burning hats were the Christmas colours of red, silver and green. These colours are also those of the Palestinian flag (silver being close enough to white). Thousands took to social media to voice their outrage. Linking 'Thatmas' to 'Hamas', cancel culture swung into full gear with calls to boycott the store, certain that the image was an anti-Palestinian message. Never mind the fact that the commercial was filmed in August, two months before the heinous events of 7th October.

Marks and Spencer released a statement apologising for any "unintentional hurt" and removed the scene from the video, only to be lambasted again for being anti-Christian, anti-Christmas and anti-traditions.

Collision courses: Polarisation risk and the 5Ps (continued)

3.4 Polarisation collision course: People

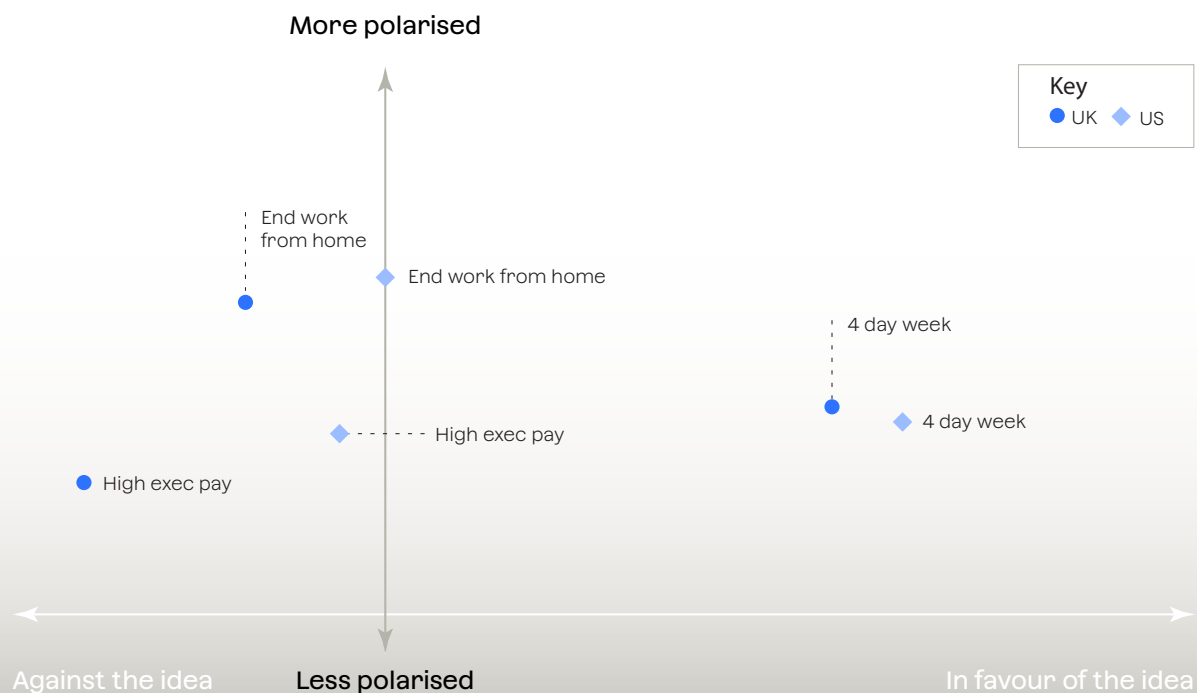
Nature of polarisation risk: The weaponisation of DEI initiatives leads to criticism and division both inside and outside of the organisation; workplace policies become politicised; society's polarisation and employees' personal identity-led and political values create division in the workplace.

Functional collaboration with Corporate Affairs required: HR/ People, Legal and Regulatory affairs

People and polarisation: what the data says...

Workplace policies – particularly the question of working from home – are just as polarised as the other areas we have considered so far in this report. Indeed policies in this area, notably ending working from home and executive pay, are among the most opposed policies in this research, with the UK public being more negative.

The striking area of difference is that there is no obvious gap in the *level* of polarisation between the US and the UK. They tell a broadly consistent polarisation story, unlike the planet and purpose areas, where the US is notably more polarised.



Collision courses: Polarisation risk and the 5Ps (continued)

Collision course example:

The modern workplace and the people policies that inform a business's culture and behaviour are fraught with polarisation risk.

The weaponisation of DEI: inclusive people policies and polarisation

The recent sustained attack by President Trump's administration on initiatives aimed at increasing diversity in the workforce, often known as Diversity, Equity and Inclusion (DEI) policies, has led to acrimonious debate and polarisation.

For some, DEI is regarded as reverse discrimination, anti-meritocratic and anti-white. Others regard it as providing a mechanism to more accurately reflect society and to recognise that not everyone has the same access to opportunities, thus enabling companies to attract and capture talent that would otherwise be missed. Similarly to ESG, DEI is also becoming a toxic and weaponised term.

President Trump's executive orders on DEI are potentially far reaching and it is not yet clear how widely they will be interpreted. But companies operating both in the United States and in Europe will have to bridge a regulatory chasm as they attempt to manage diverging and contradictory compliance obligations and the polarisation around these antithetical positions.

Employees bringing politically polarising views into the workplace

Gary Lineker, former England striker and host of the BBC's flagship football programme 'Match of the Day', caused controversy when he took to social media and likened the language used by the then Conservative government about illegal immigration to that used in 1930s Germany. The BBC suspended Lineker, but found to their dismay that the weekend's sports programming across TV and radio was severely disrupted as a number of fellow presenters and commentators, acting in solidarity with Lineker, refused to appear. This highlighted, in a very public way, how expressing opinions on political or polarising matters can have serious ramifications in the workplace.

As a microcosm of society, workplaces are also becoming polarised where arguments about contested issues from politics to the trans debate, vaccines to gun control distract and create tensions between colleagues.

This is becoming a serious enough problem that employers like Google, Meta and Basecamp have banned political discussions at work.

As we have seen before, what employers can legally enforce will vary between different countries. Certainly, employers in Europe can exercise some control over things like visible displays of religious symbols, so long as any ban is enforced impartially and consistently. In California Google fired several employees who staged an office sit-in protest against the company's contracts with the Israeli government.

While banning contested topics in the workplace might seem like a sensible plan, it can backfire by undermining trust between the company and its workforce. Many businesses align themselves with political ideals or messages either overtly or implicitly – Ryanair, Wetherspoons and Dyson bosses were all outspoken in their views on Brexit before the UK referendum – so it would seem hypocritical to deny that their employees are also political beings. Such inconsistent messaging is damaging to the employer / employee relationship and can heighten a sense of alienation. When Jason Fried, CEO of Basecamp, prohibited political discussions on company communication channels, roughly a third of the employees resigned. Fried said he had expected a backlash both internally and externally but was surprised at the magnitude. It destabilised the company for a while, he admitted, he also said it was one of the best decisions he has made.

WFH, WTF?

Work From Home (WFH) policies carry inherent polarisation risk. They collide with: class identity (manual workers often can't WFH whilst middle-class and higher earners may be able to); values such as freedom; and are increasingly associated with political identity.

Whilst it is far too crude to say that liberal-minded workers support WFH and conservative-minded ones back a return to the office, influential voices from the poles of politics have been vocal on the issue, which in turn empowers employees to be vocal about their own employers' WFH approach.

During his stint as Minister for Brexit Opportunities and Government Efficiency, Jacob Rees-Mogg actively campaigned against the Civil Service's working from home policy, going as far as to leave notes on civil servants' desks stating he "looked forward to seeing you in the

Collision courses: Polarisation risk and the 5Ps (continued)

office very soon". More recently, Elon Musk has described working from home as "morally wrong".

Last year Sebastian James, managing director of Boots UK, told head office workers to return to the office full time sparking an outpouring of diametrically opposed opinions amongst staff and observers. One strand of views was that companies should embrace technology to allow

WFH as it eliminates expensive, inefficient and polluting commuting. While opponents accused those in favour of "snowflakery" and "laziness", echoing the language of wider culture wars.

As leaders of today's business grapple with what is the right WFH policy for a business to be profitable, productive and attract talent, they will need their finger on the pulse of the polarised nature of the issue.

3.5 Polarisation collision course: Politics

Nature of polarisation risk: A business's leadership aligns itself to a new Government's priorities, the ideology and values of which clash with either the identity and values of its employees and/or the values of the organisation.

Functional collaboration with Corporate Affairs required: CEO's office; HR/ People; Supply Chain & Operations.

Collision course example:

Multinationals have for years had to navigate simultaneously doing business in markets with very different political structures and ideologies across the globe.

In so doing, businesses have long sought to effectively communicate and – to differing degrees – align themselves with governments of the day, particularly in the markets in which they are headquartered or have business-critical operations.

For many businesses with a bias towards doing business in western democracies, this process was relatively uncontroversial and often gradual. Aligning a business with a centre right administration's economic policy does not require a huge leap if the previous administration had been centre left in nature, and vice-versa. Shared principles and policies remain through the change of Government. But aligning yourself – as a CEO and as a business at large – to a disruptive, populist agenda to ensure a favourable operating environment, piles polarisation risk on to a business.

This has been most pronounced in the US in recent months. The tech sector, in particular, has undertaken a perceived shift to the right in its pronouncements and policies to align with the Trump administration's approach.

Mark Zuckerberg's decisions to change the content moderation policies of Meta's social media platforms, to donate to President Trump's inauguration fund and to scale back the organisation's DEI initiatives, jar with many. Meta is an organisation with high risk appetite and has decided that the commercial upside of siding with a more libertarian stance on how social platforms are run and governed outweighs the downside risks. Culturally, however, such a political pivot has a polarising impact throughout the organisation and for platform users. An employee may suddenly find themselves lurching from being proud to work for a business to feeling the need to defend their organisation's leadership and values to their friends and family. And the chances of future employee activism and walkouts increases when values of employer and employees collide.

And the polarising impact of a political pivot can disrupt external relationships too. Supply chain relationships, as well as memberships of coalitions which help a business address Grand Challenges, are often cemented – and procured – by shared values which reflect an organisation's identity.

In an era of populism, political pivots will continue to be stark and divisive for sections of a corporate's stakeholders and participants in its wider ecosystem.

In today's complex world, there is no such thing as a risk-free action that a corporate may choose to take and communicate.

Section 4:

Unpacking polarisation risk

4.1 How polarisation risk impacts relationships, reputation and revenue

For most companies, polarisation is an unwelcome tension, causing unnecessary friction as different stakeholders demand contradictory outcomes. In the context of addressing Grand Challenges, where there are no clear-cut answers, polarisation can make the hunt for solutions even harder.

Polarisation can lead to organisational culture fragmentation, increase conflict within a business and with its key stakeholders and decrease productivity. It can lead to full-scale reputation and commercial crises. The backlash against Dylan Mulvaney's relationship with Bud Light, for example, led to a 26% sales drop in the US, and had a material impact on the stock price of the brand's parent company, AB InBev, with HSBC analysts subsequently downgrading the stock from a "buy" to "hold" rating.

Corporates need to assess whether polarisation on specific topics, such as environmental, social or workplace issues, reach a sufficient threshold to merit being itemised on their risk registers.

Indeed, polarisation risk poses threats to Collaborative Corporates trying to foster relationships, nurture reputation and generate revenue.

Increasingly, every corporate statement, action and product needs to pass through a polarisation prism. Corporates need to assess whether polarisation on specific topics, such as environmental, social or workplace issues, reach a sufficient threshold to merit being itemised on their risk registers.

To be clear, we are not saying that the existence of polarisation risk should lead to the dilution or the vetoing of a corporate action or initiative. Rather, business leaders need to be aware that polarisation creates a clear lens on how any action may be received and debated externally.

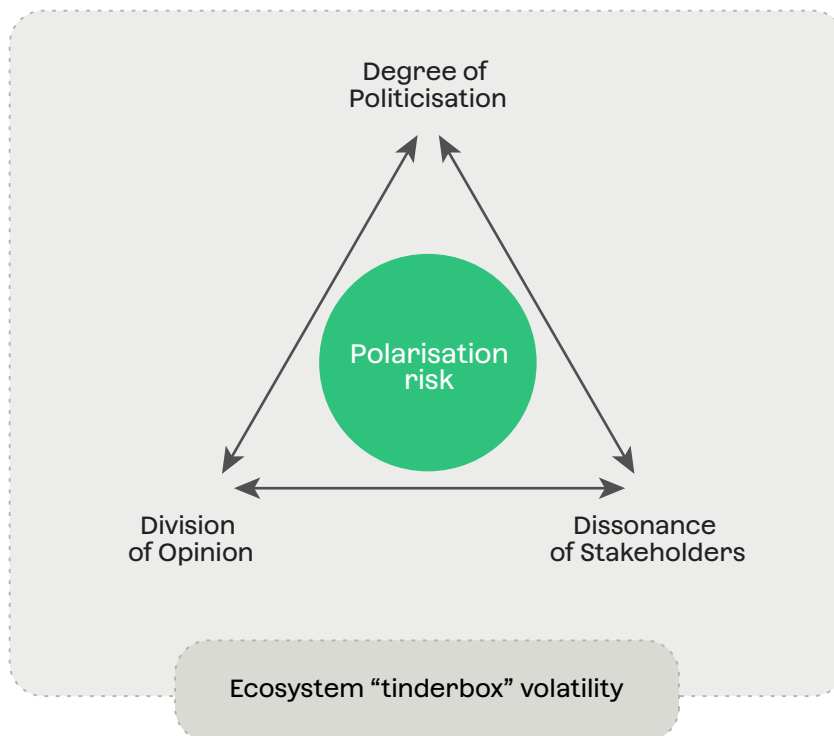
Today there is no such thing as a risk-free action that a corporate may choose to take and communicate. Increasingly, the role of communications leaders is to help chart a successful course through polarisation risk. To do that demands a nuanced understanding of its essence.

Unpacking polarisation risk (continued)

Three interrelated factors contribute to polarisation risk crossing a threshold from normal stakeholder scrutiny into a category of reputational risk, which could have lasting commercial implications (see figure below):

- **Division of Opinion:** Is there a polarisation of opinion (i.e. do attitudes cluster into distinct groups with little or no common ground between them)?
- **Degree of Politicisation:** Does division of opinion have its roots in affective polarisation (i.e. division arising from political identity) rather than just ideological polarisation (difference of opinion on ideas or policies)?
- **Dissonance of Stakeholders:** Is the corporate's position, action or initiative on the issue likely to clash with the identity and values of the organisation's existing stakeholder groups? This dissonance is most problematic with large stakeholder groups (i.e. customer bases of well-known brands, or large employee groups of multi-national workforces) as it increases the potential for the issue to escalate more broadly. Indeed, it is easier to defuse polarised opinion with small groups (e.g. unhappy investors) than with multitudes who can vent on social media (e.g. furious consumers).

Unpacking Polarisation risk: igniting the tinderbox



Unpacking polarisation risk (continued)

4.2 Is the tinderbox about to ignite?

Whilst polarisation risk exists for all businesses, albeit to differing degrees, its existence does not necessarily mean the risk translates into a bigger issue or wider crisis.

A crucial role of the modern-day Corporate Affairs Director is to know which parts of their organisation's strategy carry the most polarisation risk and how volatile the tinderbox of their company's ecosystem (and the social media structures and networks that underpin it) is at any given moment.

For example, in our earlier anecdote about the M&S Christmas advert, could it have been possible to spot the polarisation risk that was carried in the Christmas colours? Having a constant sense of the wider culture wars, debates and identity-led proclamations that are occurring on social media daily is crucial. It allows organisations to identify how seemingly tangential conversations playing out elsewhere may lead to a piece of corporate communications or content becoming unwittingly embroiled in something unforeseen and potentially damaging.

The question is: how can Corporate Affairs Directors and their C-Suite colleagues successfully navigate today's polarised environment? As the next section shows, a Collaborative Corporate mindset and behaviours are a crucial part of the answer.

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Section 5:

A Polarisation playbook

5.1 Assess polarisation risk

Use research to judge the severity of polarisation risk that exists

A mix of quantitative and qualitative research techniques among stakeholders and the general public will allow you to assess the three facets of polarisation risk (the *division of opinion*; the *dissonance of stakeholders*; and the *degree of politicisation*) inherent in a business's position, action or initiative.

It is not always easy to ascertain the depth of each of the three facets.

Firstly, there is ample scope for misperception of others' attitudes, beliefs and interests. Despite substantial differences in opinion on an issue between deeply involved interest groups, there is often less polarisation among constituencies and individuals who are less involved. Respondents with differing political identities disagree less than they might imagine with their opponents when probed about specific ideas or initiatives. For example, in the UK, More in Common have found most respondents – across the political spectrum – are proud of the NHS and concerned about climate change and inequality. The 'outrage' that can appear on social media on certain issues rarely reflects the size of the common ground that does indeed exist among large swathes of the public. What's more, there is often consensus on the outcome, for example when it comes to climate change no one wants to live in an uninhabitable world, but disagreement exists on how to avoid the eventuality.

Secondly, polarising topics tend to generate strong emotions, which can overwhelm our more rational selves. This can result in us focusing our anger and outrage on ad hominem inflammatory attacks on specific people or groups rather than tackling the underlying issue. This points to qualitative research being crucial to fully understand how a potentially polarising action or initiative may be received and responded to, as understanding people's emotional mindset can be difficult within quantitative data sets alone.

And thirdly, contradiction in individuals' own views is increasingly present in a polarised culture. People can, increasingly, hold simultaneously inconsistent views. This is partly because polarised views can be emotionally-led as opposed to rational or fact-based and partly because misinformation enables contradictory information to be available to people. This means a business doesn't just have to navigate two very clear 'sides' but a whole web of beliefs and intersectional issues that defy logic.

...a business doesn't just have to navigate two very clear 'sides' but a whole web of beliefs and intersectional issues that defy logic.

A Polarisation playbook (continued)

Internal collaboration across functions is crucial

To fully assess polarisation risk also requires internal collaboration across functions within a business. If, for example, a piece of sustainability communications is not to fall foul of a tangential culture war and result in a consumer boycott, or a piece of leadership communications is to avoid potential employee activism or tension across a supply chain, then cross functional join-up is crucial.

If a business is too focused on a single audience in communicating an action or initiative, it is likely to be blinkered to how the polarisation of opinion across its wider external environment could impact its reception. Collaboration across business functions is as important for mitigating such outcomes.

Similarly, and perhaps ironically given the current polarised backlash against DEI initiatives, businesses with more diverse workforces are more likely to spot inherent polarisation risk as a broader spectrum of identities will be represented, collectively opening the corporate's eyes to blind spots of opinion in the organisation's external world.

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5.2 Prevention is better than cure: identify participants who may ignite the tinderbox

A Collaborative Corporate thinks about its external environment in an expansive way to find innovative approaches and new partners to work with to address Grand Challenges. Instead of mapping traditional groups of stakeholders, it thinks about the wider ecosystem in which it operates, identifying participants beyond its own sector. And it deliberately views its critics and competitors as potential partners too.

This mindset and approach also serve a business well when addressing polarisation risk. Instead of mapping critical stakeholders, an organisation should think expansively about how its action and initiatives relate to the values and opinion which are present in its wider ecosystem.

Corporate Affairs Directors and their teams need to lead the way in increasing the chances of spotting the individuals or influencers whose identity-based view of the world might just spark the backlash or controversy that had not been previously imagined, before a public misstep is made.

Similarly, such an approach allows you to identify opportunities to harness polarised opinion to your advantage, tapping into shared identity-based values in your external world. Doing so may enable your initiative or action to receive vocal support, which could ultimately drown out any criticism or potential backlash.

5.3 Stay focused on the long term, but turn down the heat when necessary

It is crucial to keep a long-term perspective and mindset when trying to successfully navigate polarisation; another hallmark of the Collaborative Corporate. Leaders need to take consistent and clear view on the right actions and dialogue in the long-term and avoid knee-jerk bowing to the current political mood that may prove short-sighted. Polarisation, by its very nature, is fickle and fast moving, so a business needs to make sure it is making decisions that will serve its long-term reputation.

The judgement call is to look at polarisation risk whilst checking to make sure you are not promoting consensus at the expense of principle. There are many instances where it may be right, commercially and reputationally, for a corporate to not seek to depolarise but to take an active 'side' in a debate. Indeed, to successfully address some Grand Challenges may demand it. Trying to find common ground for the sake of neutrality is not the objective.

However, there are instances where seeking to 'turn down the heat' on an issue or action is reputationally and commercially advantageous; depolarising sentiment and building consensus may aid the delivery of key parts of a business strategy. In such instances, businesses can deploy collaborative tactics to depolarise their external worlds:

Embrace 'stretch' collaboration

Firstly, businesses need to be unafraid to build close relationships with potentially divergent – or even opposing – interests. Prior to communicating something which carries with it inherent polarisation risk, bravery to start a dialogue with participants with different opinions is crucial. And it demands a commitment to 'stretch' collaboration. Stretch collaboration is a willingness to enter into a relationship – often with numerous parties – without an expectation that there will be an outcome.

The objective of this activity is, through the process of in-depth engagement, to try and find common ground. In doing so, a business can depolarise external sentiment, even if it appears that no common ground may exist with others on first examination.

Part of seeking common ground is to humanise issues. Rather than hiding behind a faceless corporate image, it's better for stakeholders and participants to realise that the corporate's representatives are real human beings with feelings and opinions about what's happening in the world. It can be helpful to highlight personal connections to an issue, and sharing stories can establish connections across divides. This will also help build trust between your corporate brand and even your most ardent critics.

Harness your convening power

Collaborative Corporates use the convening power of their brand to enable participants in their ecosystems to coalesce and collectively tackle Grand Challenges. And these participants may not share the same views, values or opinions as the corporate – in fact, this is the very point. Convening participants and third parties to explore where common ground may exist, and to discover shared actions that could benefit all parties, builds the resilience of an organisation and enables it to innovate.

This mindset and skillset are also powerful mitigations against polarisation risk. For an organisation whose business strategy that may be predicated on a polarising topic (e.g. a car manufacturer undertaking a transition to manufacturing and marketing electric vehicles, thus having to communicate a great deal about climate issues), convening stakeholders and critical voices is a crucial part of maintaining a robust reputation.

The act of convening and leaning into polarising topics in an open forum is itself a depolarising act. It shines a light on the common ground that exists between different participants, and insulates the business from future criticism: nuance and understanding is fostered – both necessary weapons against the weaponisation of opinion.

5.4 Deploy depolarising messaging

It is also imperative to be cognisant of polarisation risk when developing messaging. The way you communicate an initiative or action as a business can inadvertently aggravate polarised opinion if it is not considered when the words or content are being crafted.

Narrative and messaging should be developed which takes into account divided, fractured, often angry constituencies and which is minded to foster future dialogue and nurture constructive discourse.

It is therefore important to consider how language can have a depolarising effect:

- **Highlight shared, underlying values:**
If possible, highlight principles upon which most can agree. When opinions are polarised it is especially important to find common ground. Two parties may have differing views on a topic or issue, but it doesn't mean they don't have some shared values (for example, belief in the value and importance of economic growth, and personal endeavour to achieve it). Appeal to these shared values in your messaging.
- **Understand before being understood:**
To find the expression of these shared values, a useful tactic is to seek first to understand before trying to be understood. In this context, 'seek to understand' means making an effort to understand an opposing party's argument and why they hold those views. Only then will you be able to effectively communicate an alternative position in a way that they will find convincing. Messaging should start from a place of understanding on polarised topics. The aim is not necessarily to win people over – it is impossible to completely depolarise an issue – but rather to move people a little from the extremes to give your actions a fairer reception.
- **Make sure you communicate the grey:**
Whilst a business is unlikely to be able to appease all opinion in a polarised environment, there remains value in being seen as the voice of reason for the sake of your long-term reputation. The stories and statistics related to divisive issues encourage people to see situations as 'black or white', which portrays them in a manner which is perhaps more polarised than reality. It is important to share long-form messaging on the issue or action in question with third parties that the business has an ongoing constructive dialogue with. Highlighting a more nuanced perspective by deepening what the wider world know about the issue – exposing the shades of the grey – is an important part of depolarising opinion in a business's external world.
- **If you are compelled to disagree, keep it about the issue:**
If a corporate must express disagreement with an individual's sentiment or anger about a polarising topic (because it may clash with the values of the organisation or because a certain stakeholder group demands it of the organisation), it's important to focus any underlying anger or emotion on the issue rather than specific individuals or groups. Even in an age of disinformation, ad hominem attacks and exaggerations tend to make corporates be perceived as less credible in the eyes of others. What's more, it is best to remain fair, even if you can't remain neutral. When corporates take a stand on a major issue, it's crucial to be fair and consider all sides of the debate. Even if you ultimately decide to come down on one side, articulating an opposing viewpoint convincingly and respectfully will help to maintain trust and credibility with those who disagree.

When corporates take a stand on a major issue, it's crucial to be fair and consider all sides of the debate.

Section 6:

Conclusion

– Embracing polarisation with a collaborative mindset

Most corporates are adapting in response to the Grand Challenges that are shaping the world in which they do business – for example, adopting initiatives aimed at the climate crisis or energy transition, trying to figure out how to harness shared technologies such as AI or to responding to changing societal norms relating to diversity & inclusion.

This demands higher levels of collaboration from corporates with their existing stakeholders, as well as with less typical participants from their wider ecosystems. As we argued in our previous report, this greater collaboration is a prerequisite for success in the modern business world and is necessary to both protect and build value.

However, the Grand Challenges that businesses are working to address are also contentious. The public debate they generate often create polarised dialogue, which are exacerbated by newer media channels. Becoming increasingly collaborative opens a corporate up to a specific type of reputational risk – polarisation risk – whereby communicating on the initiatives geared towards addressing their Grand Challenges collide with the outward expression of the political identities of a wide variety of individuals and influencers.

This risk exists because the fragmented media landscape blurs the lines between business, finance, politics, society and culture. *Anything* a corporate communicates can be used as ammunition and evidence of a threat to the strong and polarised values of vocal groups who share powerful political identities. This risk is amplified within fragmented media echo chambers, which can escalate emotion into vitriol rapidly, and also spread misinformation unchecked.

Conclusion – Embracing polarisation with a collaborative mindset (continued)

A crucial part of modern-day corporate affairs is knowing when disagreement crosses a threshold from normal stakeholder scrutiny into polarisation risk which could erode value.

Any business action is therefore subject to both traditional stakeholder scrutiny and – increasingly – a wider judgment by a much broader collection of potentially powerful, polarised influence that can be hard to anticipate. For businesses, the collision course between acting in a multi-stakeholder, collaborative-minded way to thrive in the face of today's Grand Challenges and the polarised structure of the way information travels in today's fragmented media environment is inevitable. It is now a permanent facet of conducting business – and corporate communications – in today's world.

However, the good news is that collaboration – and deploying corporate behaviours that embody both conventional and stretch collaboration – is also a major part of the solution to navigating and succeeding in today's polarised environment. A crucial part of modern-day corporate affairs is knowing when disagreement crosses a threshold from normal stakeholder scrutiny into polarisation risk which could erode value.

We have examined the implications of polarisation for corporates and we conclude that, especially in highly fractured situations, a Collaborative Corporate can – somewhat counterintuitively – help resolve the risks arising from polarisation by taking an ecosystemic perspective and adopting 'stretch collaboration'. Our thinking about the purpose of a corporate is dominated by egosystemic thinking. However, the fundamental responsibility of leaders to bring people together is even more important in times of division and fracture, when communities do not trust other institutions to tackle systemic issues. The convening power of a corporate can be a potent tool in this respect. In the face of deep stakeholder division on a pressing issue, silence is not an option. Corporates can instead step forward with communication that elevates and transcends, highlighting shared underlying values and trying to heal rather than worsen division.

Whilst the collision course between collaboration and polarisation is inevitable, explosive outcomes which harm a business's relationships, reputation and revenue are not.

End credits

Authors



Dr Ben Shenoy is a lapsed systems engineer, a recovering management consultant and a practising behavioural scientist. His work focuses on how individuals and organisations can thrive – not just survive – in the face of complexity. He is a visiting professor of Psychological and Behavioural Science at the London School of Economics. He holds a PhD in Organisational Behaviour from Harvard Business School and an MA in Systems Engineering from the University of Cambridge. He co-authored *Strategic Decision Making: A Discovery-Led Approach to Critical Choices in Turbulent Times*, published by Kogan Page in 2018. He can be found online at www.benshenoy.com



Dan Smith is Deputy CEO of Headland. He is a corporate reputation specialist whose experience spans corporate and financial communications, communications strategy and planning, campaigning, stakeholder relations, sustainability and crisis communications. Dan has worked with businesses and organisations of all sizes to drive impactful change, from FTSE 100 and 250 companies and global household-name brands, to leading charities, government departments, public bodies and start-ups. His experience covers numerous sectors including tech, fintech, telecoms, energy, automotive, retail and the public and third sectors. He is a trustee of environmental campaigning charity, Hubbub.

End credits (continued)

Research methodology

The research commissioned for this report was conducted by Headland's Strategy & Insight team. This comprised:

- An n=4,024 poll, representative of UK adults, conducted online by YouGov, 5-7 March 2025.
- An n=1,034 poll, representative of US adults, conducted online by YouGov, 5-7 March 2025.

The Polarisation Index for each issue was calculated as the mean-absolute deviation of the answers (which were scored on a scale of 0-100).

Headland's Strategy & Insight team develops positioning and strategic plans that are practical and deliverable, designed to balance competing stakeholder expectations while creating maximum impact over a sustained period. All their work is underpinned by insight that rigorously tests our plans, measures their impact and demonstrates the link between reputation and business value.

About Headland

We believe in the power of collaboration. Good reputations give businesses the legitimacy to create the conditions and opportunities to thrive financially, socially, and environmentally, even in challenging times. We believe that reputations are built on purposeful relationships with all stakeholders, and they happen by design. Through a method and culture of collaboration amongst our experts, we shine a light on all perspectives and help businesses act on those insights. Those actions provide the impetus for powerful communications and give rise to reputations that put our clients in control of their futures.

Headland works for a range of listed and private companies, not-for-profits and charities including Accenture, Affirm, Agratas, BAE Systems, Danone, Darktrace, Iberdrola, International Distribution Services (parent company of Royal Mail), Just Eat, KFC, Legal & General, Mahou San Miguel, Ocado Group, PepsiCo, Tata Steel, TikTok, Three UK, Trustpilot and Who Gives a Crap. Headland is ranked number 4 in terms of FTSE 350 clients (Corporate Adviser Rankings, Q3 24). Additionally, we are ranked 3rd in the Mergermarket EMEA M&A advisory table (H1 24) as well as 9th for M&A and 12th for private equity in The Deal's global league table (Q3 2024).

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