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Andrew Hoffman

Blurring the Lines Between Business and Government: Salesforce and CEO Activism

In the spring of 2015, Marc Benioff, CEO of Salesforce, sat in his San Francisco office considering his options. Benioff had recently taken a very public stand against the government of Indiana after its passage of the Religious Freedom Restoration Act. The Indiana Senate approved the bill on March 26, 2015, by a 40-10 vote, extending to companies and organizations the same right that individuals had to use religion as a defense in certain legal cases, as granted by the federal Religious Freedom Restoration Act passed in 1993. Within hours of the bill's passing, Benioff tweeted a response to the new legislation: "Today we are canceling all programs that require our customers/employees to travel to Indiana to face discrimination."¹ Benioff was not the only CEO to criticize the bill as a Pandora's box that would allow legal discrimination against the lesbian, gay, bisexual, transgender or questioning (LGBTQ) community or to pressure the state to repeal the bill.

After a week of intense backlash, Indiana Gov. Mike Pence called for an amendment to include specific language protecting the LGBTQ community from discrimination. The amendment was not close to the full repeal that Benioff and others had been pushing for, but he wondered if he had already taken his public criticism too far. Other CEOs, including Howard Schultz of Starbucks and Dan Cathy of Chick-fil-A, had faced heavy media scrutiny for publicly voicing their personal values. As an early and vocal critic of the Indiana bill, Benioff had been roundly criticized as unnecessarily putting the health of his company at risk. The amendment had just been announced and Benioff felt pressure to respond in a timely fashion, given how vocal he'd been to date and how closely CEO and corporate involvement in social issues had come to be scrutinized.

The Changing Interaction of Business and Government

With the dawn of modern corporations, the role of business in society transformed. Landmark moments such as Milton Friedman's 1970 *New York Times* article, "The Social Responsibility of Business is to Increase its Profits,"² and the U.S. Supreme Court's 2010 ruling in *Citizens United v. Federal Election Commission* shaped the ideas of how businesses should operate in the United States. In the early 2010s, CEO activism,

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