Institutional Conflict and Organizational Proxy Wars: Social Movement Organization Campaigns against Corporations

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Abstract:
In this paper I develop the idea of institutional conflict carried out in proxy by organizations representing the institutions. In the organizational proxy battles studied here, social movement organizations attempt to simultaneously delegitimize the targeted corporation as well as the institution which it is taken to represent. I further our understanding of institutional change by identifying two institutional variables that provide political opportunities for institutional change and describing how social movement organizations strategically leverage these variables in their proxy campaigns against corporations. The first of these variables is the degree of heterogeneity of institutionally-circumscribed resource-dependence niches. The second set of variables is individual moral cognitive dissonance and emotional ambivalence.
How do small, resource-poor, and ideologically unconventional social movement organizations (SMOs) challenge dominant institutions? Institutions are highly resilient social structures consisting of logics—beliefs, norms, and values that guide practical action—and governance structures through which power and authority are exercised (Scott, 2001). Social movement organizations are carriers of social movements (Zald & Ash, 1966) which generate collective challenges to authority in political or social domains (Snow, 2002).

As carriers of a challenging ideology, SMOs often engage in institutional proxy campaigns in which opposing institutions generate a proxy conflict between organizations which strategically interact to promote, sustain, or represent the opposing institutions. A timely example concerns what Samuel Huntington calls a “clash of civilizations” which is reified through proxy wars between organizations such as Al Qaeda and the US security and defense departments (Huntington, 1996). Similarly, the beliefs and values supporting free-trade are in opposition to those beliefs and values associated with the anti-globalization movement. In an example of a proxy war between these values, José Bové’s anti-globalization farmers’ union, the Confédération Paysanne, has physically attacked and destroyed McDonald’s restaurants and Monsanto crops, primarily because these corporations were seen as representatives and vectors of the institutions of laissez faire free trade and globalization.

A specific, though particularly common form of institutional proxy war is the delegitimation/deinstitutionalization campaign (hereafter, simply campaign) by SMOs against corporations. These campaigns are efforts by institutionally proactive organizations to delegitimize a particular corporation or identifiable set of corporations and simultaneously weaken or restrict the domain of a particular institution. Well-known examples of such campaigns include those against McDonald’s and Monsanto, mentioned above, Nike’s
suppliers’ labor practices in South East Asia, various pharmaceutical companies’ AIDS drug pricing and patent enforcement in developing countries, Shell’s sinking of the Brent Spar oil rig, and Starkist Tuna’s suppliers’ catch methods.

Over the last few years, there has been increasing cross-pollination between social movement theory and institutionalism. (See, for example, Clemens, 1993; Clemens & Cook, 1999; Davis & Thompson, 1994; McAdam & Scott, 2002; Rao, 1998; Rao, Morrill, & Zald, 2000) This is appropriate in that both research streams face common puzzles—At the institutional level: How can institutional change take place when dominant institutional logics, governance systems, and resources are all stacked to favor the status quo; and at the organizational level: How can small, resource-poor, and ideologically unconventional organizations challenge dominant institutions?

The present paper takes a step toward answering this question by focusing on how SMOs strategically leverage institutional factors to their advantage in their campaigns against dominant ideologies. The first factor is based on differences in the heterogeneity of the institutionally circumscribed resource niches of SMOs and corporations. The second factor is based on cognitive dissonance and moral ambivalence within individuals with regard to institutional beliefs, norms, and values. These factors create political opportunities for institutional change.

The paper is structured as follows: I begin with an overview of the campaign process, and then draw attention to how strategic considerations enter into SMOs’ campaign decisions. (The descriptions of these campaigns are based on interviews, a case study, and a survey, which are outlined in Appendix 1). I then focus more narrowly on the two institutional
factors that provide strategic advantage in an SMO’s campaign against a firm and the institution behind it. The paper concludes with a discussion to stimulate further research.

**Overview of Campaigns**

Social movement campaigns against corporations are increasingly common. While precise numbers are impossible to establish, the growth in number and increase in impact of these campaigns is reflected in the tenfold increase in the last ten years of the mention of “NGOs” and “nongovernmental organizations” in the Wall Street Journal and the Financial Times. (While there is not a perfect overlap between social movement organizations and NGOs, the focus of many of the articles in these business newspapers is on SMO campaigns against corporations).

These campaigns usually have two simultaneous goals—delegitimization of the targeted firm, and deinstitutionalization of a dominant institutional logic—with the emphasis between the two varying across cases. Scholars have highlighted the analytic difference between political action—action directed toward institutional change—and practical action—action pursued within the bounds of given institutions. Holm (1995) rightly noted that these types of actions are often completely different; he provided the analogy of the difference between the actions pursued to win a soccer match and the actions pursued to change the rules of soccer. Yet, a defining feature of these campaigns is that they operate at both the organizational and the institutional levels. The campaigning organization’s actions are designed to simultaneously delegitimize the targeted organization and change the institutional structure.

SMOs are challenging, emergent institutional agents and, relative to the corporations they challenge, are small, resource-poor, and ideologically out of the mainstream. Some well-known examples of SMOs that have campaigned against corporations as part of wider
campaigns directed toward institutional change include Greenpeace, Friends of the Earth, Adbusters, Foundation for a Smokefree America, People for the Ethical Treatment of Animals, Human Rights Watch, Common Cause, and Public Citizen.

Most of the corporations that are targets of campaigns are relatively large, resource-rich, and ideologically mainstream, in that they often operate transnationally. Examples include Proctor and Gamble, Rio Tinto, Shell, and Monsanto. Targeted corporations are those that are much larger than the average (many in the Global Fortune 500), usually operate transnationally, and are highly concentrated in retail and natural resource extraction industries.

The final set of actors is the audience of critical players. Critical players include those organizations that have a direct influence over the firm’s behavior and/or its economic performance. These include, for example, regulators, the courts, politicians, voters, consumers, suppliers, and shareholders, who have a certain degree of influence over the firm’s economic outcomes in the form of regulations and fines, court decisions, taxation, laws, purchase decisions, refusal to do business, and shareholder resolutions directing and restraining management choices. Critical players are also organizations, such as those in the media, that have an indirect influence over the targeted corporations.

SMOs lack governmental coercive powers and usually have little of the resource-based leverage over firms that suppliers, customers, and rivals may have. Consequently, SMOs use indirect pressure (Gargiulo, 1993) via the critical players, with a view to influencing these outside organizations by appealing to their interests, roles and responsibilities, and/or values and norms. Like Zuckerman’s discussion of securities analysts and the cultural-cognitive
categories for organizations (Zuckerman, 1999), the model shown in Figure 1 is one of indirect influence. The tactics employed by SMOs vary widely and include protests, boycotts, leafleting, civil disobedience, political lobbying, lawsuits, and activist shareholder resolutions. SMOs, on the other hand, being resource-poor, mostly use coalitions as part of their campaign strategy.

These challenges may trigger responses by the firm, which may, in turn, try to defend itself vis-à-vis the critical players, against the charges leveled by the SMO.

Ultimately, critical players will make evaluations and respond (or not) to the SMO’s campaign and the firm’s counter-claims and defenses. Critical player actions may create constraints on firm behavior and/or generate economic losses by the firm. Some of these losses—in the case of actions taken by critical players—can include costs associated with changes to the regulatory environment, reduced market size and market share, diminished brand value, shareholder constraints on behavior, lawsuits, work hold-ups, eroded employee morale, and so on.

A Strategic Approach

Institutions are broad and often diffuse. Thus, it is not surprising that scholars have treated the institutional pressure that organizations experience as being impersonal and diffuse. Yet, institutional pressure is ultimately brought to bear on organizations by individual or collective actors. These actors might be governmental bodies, professional associations, or nongovernmental watchdog or advocacy groups. In some cases, this pressure is applied
blindly or “impersonally”, i.e., without regard to differences in institutionally-neutral attributes of the organization. For example, only and all hospitals that meet a certain explicit set of requirements will be granted accreditation by a given accrediting agency. But in other instances, as in organizational proxy campaigns, the organizations behind institutional pressure will apply pressure strategically, by zoning in on certain organizations rather than others, and in the methods that they apply the pressure. While there is a rich literature on strategic organizational responses to institutional pressure, with Oliver’s (1991) taxonomy of generic strategies providing a powerful framework, there is considerably less research into the strategic agency of the organizations responsible for the institutional pressure. A full understanding of institutional pressure, then, requires insight into the goals, strategies, and tactics of the organizations applying the pressure.

The resource-constrained SMO, facing the daunting challenge of changing a highly resilient institution, needs to choose whether to launch a campaign against a firm, which firm to target, and what tactics to use. These decisions, to the extent that they are instrumental rather than expressive, will depend on expectations of outcomes. Thus, for example, before People of the Ethical Treatment of Animals begins a campaign to change the institutional norms concerning standard animal treatment on farms or in labs, it needs to assess the best way to affect this institutional change. Should it be done directly through regulators? Is a fundamental shift in social moral values first required? What is the best way to capture the moral imagination of the voting or buying public?

In choosing which firm to target, SMOs will take multiple factors into account, including: prior public beliefs about the firm; how egregious the firm’s behavior can be portrayed to be; the firm’s willingness and ability to resist the campaign, and how well it can be presented as
exemplary or expressive of the institution that the SMO is attempting to undermine. I briefly expand on the last two of these factors in order to highlight the importance of strategic considerations in institutional pressure and organizational responses.

First, the firm’s likely willingness and ability to resist the SMO’s campaign are factors that SMOs usually take into consideration when choosing their target for a proxy battle. Firms may (intentionally) develop a reputation for being unwilling to change their behavior in the face of SMO challenges and capable of resisting the pressure that these challenges create. For example, a firm may be able to resist SMO pressure if the SMO’s perceptions of the firm’s egregiousness were not widely shared among critical players or if the firm had enough counter-influence over the critical players to have them continue to give their (perhaps reluctant) support to the firm. In such circumstances, social groups may perceive further challenges as being in vain, and turn their attention elsewhere. A comparison between ExxonMobil and Shell provides an illuminating example. ExxonMobil’s general strategy has been one of resisting and ignoring SMOs, whereas Shell has used strategies of appeasement, negotiation, and cooptation. Although many environmental SMOs view ExxonMobil as having a worse approach to environmental concerns than Shell, SMOs tend to challenge Shell more than ExxonMobil simply because they gain more from their challenges against Shell than they do against ExxonMobil. Thus, game theoretic considerations of reputation in “repeated games” may lead to the counter-intuitive conclusion that acquiescent or compromising moves toward institutional conformity may actually decrease, rather than increase, organizational legitimacy. Partial isomorphism may, for the strategic reasons discussed above, lead the SMO to attack more, rather than less, aggressively.
Second, firms are often targeted and face greater institutional pressure not because they fail to conform to dominant institutional standards—as is classically portrayed in most neo-institutional theory—but precisely because they do conform. They are targeted because they are exemplary representatives of an institution that is itself under challenge. For example, some anti-globalization protestors have protested against McDonald’s. They readily aver that their main reason for choosing McDonald’s as a target is because they take it to represent globalization and multinational corporations in general. One advocacy group, the McInformation Network, writes on its web site, “Yes, we appreciate that McDonald’s only sell hamburgers, and loads of other corporations are just as bad. But that’s not the point. They have been used as a symbol of all multinationals and big business relentlessly pursuing their profits at the expense of anything that stands in their way.” (http://www.mcespotlight.org/help.html, Nov 2, 2003). Clearly, in this example, McDonald’s needs to take the McInformation Network’s motivations and strategies into account in formulating an appropriate response.

In the two sections that follow, I focus more closely on two institutionally-based sources of political opportunities that SMOs leverage in their campaigns against corporations and the institutions they are taken to represent.

**Univocality, Multivocality, and Institutionally-Circumscribed Resource Niches**

One basic and well-established truth of institutional theory is that organizations that fail to meet institutional demands will lose legitimacy and access to resources (See Singh, Tucker, & House, 1986; Zuckerman, 1999). We can think of pools of resources as being attached to particular institutions, such that these resources are preferentially available to those organizations that conform to that the given institution’s demands.
SMOs are, by definition, working against the mainstream values and beliefs of their societies. By being dedicated to institutional change, the agents tend to have a relatively small institutionally circumscribed resource pool from which to draw. Most of the resources in the environment will tend to be withheld from SMOs since most of the individuals and organizations that control these resources will be loath, all things being equal, to provide resources to organizations with which they are at ideological loggerheads. The resources that are potentially accessible to SMOs are restricted to those small niches that are controlled by individuals or organizations that share their ideology and who support the institutional change being pursued by the SMO.

Yet, the fact that that the SMO is dedicated to undermining a dominant institution, while limiting the pool of available resources, simultaneously ensures that the SMO has a relatively institutionally homogeneous set of individuals and organizations upon which it is resource dependent. Given the wide ideological range of possible organizations to which they could contribute, the suppliers of capital and labor to a particular SMO will tend to be relatively homogeneous in their support of the ideological goals of the SMO. If their views diverge from that of the SMO, they can easily direct their resources elsewhere.

Clearly, as the SMO grows in size and takes on multiple and divergent campaigns, it will tend to draw resources from more—and more heterogeneous—constituencies. Nonetheless, given their generally small size and their dedication to narrowly defined forms of institutional change, as a generalization, a given SMO will tend to have a small but relatively institutionally homogeneous set of resources and resource-dependencies.
In contrast, the corporations that are targeted by SMOs are usually gigantic organizations, fulfilling multiple functions in multiple countries for a multitude of constituencies or stakeholders. The mere size of the throughput, in terms of labor, capital, and resources, ensures a vast set of resource dependencies. The fact that the corporation is driven primarily by practical rather than political ends also allows for greater institutional heterogeneity in the resources upon which it is dependent. Employees, customers, and suppliers, for example, could believe in very different ideologies, but deal with the corporation for practical reasons.

Thus, the truism in organizational theory that most organizations exist in a context of institutional complexity, applies, to a greater extent, to large corporations than small SMOs. Thus, the well-studied conflicting demands placed on organizations operating in institutionally complex fields (See, for example, D’Aunno, Sutton, & Price, 1991; Deephouse, 1996; Meyer & Scott, 1983; Ruef & Scott, 1998) are more severe for corporations than for the SMOs that campaign against them.

In their fascinating paper, Padgett and Ansell (1993) put forward the proposition that multivocality—having single actions interpreted coherently from multiple perspectives simultaneously—can provide an advantage through the use of robust actions, actions which are interpreted differently by multiple, separated audiences. But the current context suggests that multivocality can be a cost or a constraint. The actions of the SMO are univocal; the SMO speaks to a relatively narrow range of constituencies and has a relatively ideologically narrow range of resource-dependence. Being deeply embedded in a single institutional context, the SMO faces fewer conflicting institutional demands. In contrast, the firm has a wider range of constituencies who occupy multiple, conflicting institutions. Thus, the firm’s actions are multivocal and subject to multiple conflicting evaluative criteria and demands. So,
an action that satisfies some constituencies (e.g., moving manufacture stock, analysts, and shareholders) may well appear illegitimate to another set of constituents who uphold a different set of rules, values, and beliefs (e.g., consumers, employees, and citizens). Thus, while occupying a structural hole provides informational advantages (Burt, 1992), from an institutional perspective, it can come at a cost of multivocality and multiple and conflicting demands.

The genius of Padgett and Ansell’s robust actor, Cosimo de’ Medici, was to maintain ambiguity in his actions so as to remain inscrutable by his multiple constituencies. Perhaps his luck was not to have opponents that demanded more explicit and committed action. On this count, the corporation targeted by an SMO is less lucky than was Cosimo.

SMOs are able to leverage their small but homogeneous resource niche to attack with univocality the corporation whose response is constrained by the multivocality forced upon it by its institutionally heterogeneous resource dependencies. For example, SMOs campaigned against pharmaceutical companies for their pricing and patent enforcement efforts in South Africa. Some of the SMOs arose in response to this very issue. The SMOs did not have to worry about losing support from their capital and labor providers over the goals of the campaign. The individuals and organizations upon which the SMOs were dependent were virtually unanimous in their ideological stance on the issue, differing, if at all, only on tactics.

In contrast, the pharmaceutical corporations under attack were in a multivocal position, speaking simultaneously to multiple, separate constituencies including the South African government; developed world consumers; South African, American, and British SMOs; intergovernmental organizations responsible for international patent agreements; and financial
analysts. These audiences had a wide range of worldviews and values—as well as interests—and the pharmaceutical companies had great difficulty in addressing or sidestepping the conflicting demands. The institutional ideologies of patents and shareholder capitalism came into direct conflict with ideologies of the pre-eminence of public health concerns. Whereas Cosimo was able to use robust action to increase his power, the corporations, burdened with multivocality and attacking SMOs that demanded explicit action, displayed uncertainty vacillation. For example, they filed a lawsuit against the South African government to enforce their patent (explicitly out of concern for the institution of patents, rather than immediate concern about profits), only to drop the suit six weeks later when further SMO pressure was exerted.

**Individual Moral Cognitive Dissonance and Emotional Ambivalence**

In the previous section, I described how the univocality and narrowly institutionally circumscribed resource base of SMOs provides an advantage over the large multivocal dominant organizations dependent on a more institutionally heterogeneous set of outside players. This, then, is one way in which emergent SMOs are able to generate social movement and institutional change. At a more micro-level, however, one key question remains unanswered: How does the SMO actually affect the evaluations of the audience of critical players? In order to answer this question, we need to move down a level of analysis and pay attention to the “institutions in the head” of the critical players. Institutions are often defined in dualistic terms including, on the one hand, cognitive and normative systems, and on the other hand, patterns of behavior and material resources (Berger & Luckmann, 1966; Friedland & Alford, 1991; Giddens, 1984; Scott, 2001; Sewall, 1992). In this section, I emphasize the “idealistic”, mental side of institutions and, following Zucker, argue that this emphasis is necessary to understand the micro-foundations of institutional change (Zucker, 1988, 1991).
The primary content of institutions are sets of beliefs, norms, and values, which are ultimately subjective, “mental” entities held by individuals. While institutional conflict is usually thought of as existing at the field level, conflict among various beliefs, norms, and values also exists within the mind of single individuals. I propose that cognitive dissonance and emotional ambivalence are quite common in the context of norms and values, and that SMOs leverage this dissonance and ambivalence within individuals as a means of delegitimizing the targeted firm and undermining the dominant institutional actors and logics.

Festinger’s theory of cognitive dissonance specifies how individuals may hold inconsistent beliefs and how they attempt to resolve this dissonance (Festinger, 1957). While Festinger specified cognitions in his theory of cognitive dissonance, individuals also experience emotional ambivalence, that is, “having mixed emotions and being torn in their attitude toward an object” (Jamieson, 1993; Priester & Petty, 1996, 2001). We might, for example, feel or believe that killing an innocent being is always wrong, but simultaneously feel or believe that we might have to kill innocents for the greater good, or to prevent more killings of more innocents. This internal cognitive or emotional tension can range from a precise (and consciously recognized) to a vague sense of something being amiss.

Moral reasoning, from specific moral claims at the top down to the most foundational moral principles, is hierarchical. This is in clear evidence in any justification of a specific moral claim. I might claim, for instance, that it is morally appropriate to fib to a child about Santa. Asked to defend this, I might resort to saying that it brings the child happiness, and that is why it is morally good. Pushed further, I might resort to a utilitarian argument that supports the claim that the right action is that which maximizes overall utility, and that fibbing,
therefore, is morally appropriate. Moral philosophers have long recognized the distinction between different levels of moral thinking. Scholars have made the distinction between narrow formulations of moral principles and the general principles upon which they are based (Donaldson & Dunfee, 1994). Social contract theorists have noted the difference between moral deliberation about what social contract is best and moral deliberation that is used in everyday life under a given social contract (Hobbes, 1996; Nozick, 1977; Rawls, 1971, 1993). Consequentialists recognize the same distinction between “critical level” moral reasoning, about which moral rules should be used (e.g., the debate between act and rule utilitarianism), and everyday moral calculations about maximizing the good (Hare, 1981; Mill, 1863). And rights theorists recognize the distinction between rights (e.g., a negative right to life) and applications of the rights (e.g., what type of beings have this right).

To illustrate these various levels of moral thinking, the example of the campaign claim that workers at Nike’s supplier’s factories in Vietnam were being mistreated, is shown in Chart 1. (The chart is a single, illustrative representation of sources of internal dissonance and ambivalence in our moral belief systems. It is intended to be illustrative, and not exhaustive or an exclusive representation of such ambiguity and contradiction. There are multiple, plausible ways of dividing up the levels, and multiple ways of framing the issues).

This chart shows different levels of generality and fundamentality of beliefs/sentiments and counter-beliefs/sentiments. If we start at the bottom of the chart, at Level 5, we find a belief that “respecting rights” is an inviolable moral principle. As suggested above, while many people in Western cultures agree that rights are sacred and inalienable, many of these same
people also support the “counter-belief” that, for example, it is unfortunate, but morally acceptable, to unintentionally kill innocents in a justifiable war. Thus, there is some moral dissonance and ambivalence in many people between beliefs/attitudes and counter-beliefs/attitudes at the same level. One level up, even if one fully believes at Level 5 that respecting rights is an inviolable principle, one could be torn between whether or not free mutual consent (Level 4) is enough to ensure that no rights are violated. Thus, moves up the chart—concerning the question: “What is the appropriate application or specification of the underlying principle?”—can be problematic as well.

SMOs tend to use a two-step process in delegitimizing the targeted organization and undermining a particular institutionalized principle. In the first step, they often present a particular behavior or activity conducted by the firm that will strike the critical player as morally egregious, and clearly unacceptable. They try to maximize the moral outrage of the members of the audience of critical players. Some of these depictions have been so successful that they have become part of our common consciousness. These include the clubbing of baby seals, dolphin carcasses being unceremoniously dumped overboard from tuna trawlers, rabbits or chimpanzees in gruesome lab experiments, and effluent pouring out of a pipe into a pristine stream. These depictions, if successful, trigger a strong moral reaction from the audience of critical players. This immediately serves to delegitimize the organization held to be responsible for this action.

The second step is to leverage to the SMO’s ends this strong sense of indignation against the moral ambiguity or dissonance within the audience. If the SMO is solely interested in delegitimizing a given firm, the firm’s responsibility for its behavior will be made most salient. If, however, the goal of the SMO is to achieve institutional change, the organization
will try to argue that the particular instance of egregious behavior is representative of a common practice and to tie the egregious behavior to the targeted institutional norm or value and its associated activities and resources. For example, an SMO that fundamentally agrees with free market ideology and believes that the problem is the absence of a real free labor market in Vietnam, may tie the “egregious behavior” of Nike’s suppliers to a country-wide problem of Vietnamese government intolerance of unions (i.e., Level 2 counter-belief in Chart 1). If, however, the group is more radical, and believes that the fundamental problem is with the free market itself, it may try to press the argument that the egregious behavior is merely a result of free markets which are not really “free” at all (Level 3 counter-belief). In general, the lower the level of the belief or sentiment being challenged, the more radical the institutional change being promoted by the SMO.

The moral “arguments” put forward by SMOs vary in degree of explicit moral argumentation. Explicit argumentation may require more attention of the critical players than the campaigning organization has access to, may undercut the emotional intensity of the audience’s reaction to the egregious behavior, and may be self-defeating. For example, People for the Ethical Treatment of Animals ran a campaign against animal testing by merely showing constrained animals undergoing what appeared to be very painful procedures. They usually do not try to come down on one side or the other as to whether the problem is a violation of rights in the world, or an unnecessary source of pain, as this would inevitably disengage those audience members who have an opposing fundamental moral orientation. In other words, they avoid fundamental issues about basic moral principles (Level 5, in this case whether it is rights or utility that matter most). Rather, they leave the argument fuzzy and leave those in the audience who tend to think more in terms of rights to construct their own
(rights-based) arguments to make sense of why the egregious behavior is wrong and let those audience members with consequentialist orientations do likewise.

In summary, beliefs, norms, and values are the content of institutions, but they reside, ultimately, within the individual. These sets of beliefs, norms, and values are “nested” in that some of these beliefs, norms and values are more general and fundamental than others. Most individuals have dissonant beliefs and ambivalent attitudes toward these moral systems. Social movement organizations leverage this moral ambiguity or conflict within the audience of critical players to delegitimize a particular organization or undermine a particular institution. They often do this by first picking an extremely morally egregious action and then assigning the responsibility for the egregious problem to both the targeted organization and the targeted institution.

**Discussion**

A fundamental paradox for institutional theory is how institutions change, given their resilient characteristics. An analogous puzzle for social movement theory is how small, resource-poor and institutionally unconventional SMOs change the dominant frames and power structures in a society. In this paper, I have attempted to address this paradox by focusing on how SMOs strategically leverage institutional factors to generate political opportunities for institutional change.

The paper makes three fundamental contributions. First, it highlights the strategic consideration’s of organizations responsible for institutional pressure. While there is a great deal of literature on how organizations manage institutional pressure, institutional pressure is often considered diffuse and “impersonal”. In contrast, this paper focuses on the strategic considerations of some of the organizations responsible for institutional pressure.
Second, it introduces the notion of institutionally circumscribed resource niches and suggests how a single narrow institutional resource niche provides institutional challengers with an advantage over dominant organizations saddled with the constraints and costs imposed by institutional multivocality.

Finally, the paper emphasizes the institutional conflict that exists within single individuals as expressed in individuals’ cognitive dissonance and emotional ambivalence over institutional beliefs, norms, and values. The paper also shows how institutional change agents can change institutions, one mind at a time, by leveraging this dissonance and ambivalence.
References


SMO’s delegitimizing and deinstituionalizing claims

Organizational illegitimacy narrative
Institutional change narrative
Firm’s response

Defensive narrative
Critical Players
E.g., Consumers
Critical Players
E.g., Financial analysts

Outcomes for Firm and Institution

INSTITUTIONAL COGNITIVE AND NORMATIVE SYSTEM

Evaluators

INSTITUTIONAL COGNITIVE AND NORMATIVE SYSTEM

Figure 1: Delegitimation Campaign
<table>
<thead>
<tr>
<th>Level</th>
<th>Belief/Sentiment</th>
<th>Counter-Belief/Sentiment</th>
<th>Issues of Dissonance Or Ambivalence</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Standard Vietnamese employer-employee relationships are free market arrangements.</td>
<td>Standard Vietnamese employer-employee relationships are not free market arrangements. The government prevents unionization and distorts bargaining power.</td>
<td>Facts about standard Vietnamese employer-employee relationships; categorization criteria of free-market arrangements.</td>
</tr>
<tr>
<td>3</td>
<td>Free market arrangements are a form of mutual consent.</td>
<td>Free market arrangements are not a form of mutual consent. Market power differences make free consent illusory.</td>
<td>Theories of free choice; Economic theories; Definitions of “free market” and definitions of “mutual consent”.</td>
</tr>
<tr>
<td>4</td>
<td>Mutual consent ensures that all rights are respected. For example, the “positive right” to a minimum standard of living might be violated.</td>
<td>Mutual consent ensures that all rights are respected.</td>
<td>Theories of rights. E.g., negative rights (the right to be left alone) and positive rights (the right to certain goods).</td>
</tr>
<tr>
<td>5</td>
<td>Respecting rights is an inviolable moral principle.</td>
<td>Respecting rights is not an inviolable moral principle. Rights may be violated if doing so substantially increases overall social welfare and minimizes future rights violations.</td>
<td>Foundational moral principles. E.g., rights-based, consequentialist, social contract, virtue theories.</td>
</tr>
</tbody>
</table>
Appendix 1

The descriptions of SMOs that campaign against corporations are based on interviews, a case study, and a survey. The process began with fifteen exploratory interviews (average length: two hours) with public policy analysts, campaign managers, and executives of SMOs that have campaigned against corporations; managers and executives of corporations that have been targeted by SMOs; and EU and US regulators that have been critical player audiences in these campaigns. These interviews used open-ended questions and were recorded and transcribed. The case study was intended to familiarize the researcher with some of the basic aspects of these campaigns. The case focused on the SMO campaign against Aventis’ Starlink corn and the attempt to undermine the beliefs, norms, and values underlying the agricultural biotech industry in the United States.

With a reasonable familiarity of the phenomenon, a 97-item survey was developed. Only a small set of the items were drawn upon for this paper. Pre-testing was conducted with five advocacy group executives and four scholars with expertise in survey development. During these interviews we stepped through the survey together, and I asked the respondents to evaluate the meaningfulness, clarity, and “loadedness” of the items (a potential issue of special import, given the sensitivity of the topic). For more complex questions, in order to improve face validity and check for clarity, I asked the interviewees to explain what they interpreted the questions to be asking. On the basis of these interviews, some items were dropped, modified, or added. I then pre-tested the survey with four new advocacy executives, asking them to identify confusing or unclear questions and check the time needed to complete the survey. A small number of items were cut and modified accordingly.
Sample and Data Collection

The population from which I drew consisted of SMOs that describe themselves as having waged campaigns against corporations in the last five years. There is no pre-existing, exhaustive list of such organizations; the formal and legal status of these organizations vary with, at the extreme, a small percentage of organizations engaged in illegal activities and operating underground. I pursued two primary methods to identify relevant organizations.

The first method was based on a snowballing process. The first step was to identify advocacy organizations that were central and prominent in networks of advocacy groups. Having conducted numerous interviews and a case study, I was quite familiar with some of the most prominent advocacy groups that challenge firms across a wide-range of issues including various environmental issues, human rights, developing country labor exploitation, consumer rights, patent issues, pornography, same-sex partner recognition, etc. I bolstered the list of these core organizations through websites such as www.corpwatch.org and www.multinationalmonitor.org which serve as advocacy group network hubs and information clearinghouses. The next step was to use an Internet software spider which goes to specified web addresses, collects all the URLs (links) within the site, and then follows those URLs and repeats the process a specified number of iterations. The rationale is that advocacy groups tend to have links to similar organizations. I conducted the spider search with 21 URLs of groups that I identified in the first step. This generated a list of 19,356 URLs. After eliminating duplicate URLs, I had a list of 7,821 unique URLs. Eliminating duplicate URLs and those endings “.gov” or “.edu” or including the text “.state.” (since these were more likely to be government or educational organizations than advocacy organizations) left 6,515 URLs. My team and I then manually visited each of these 6,515 sites to determine whether or not they actually do campaign against firms, based on the content of the sites. Of the 6,515, we
identified 413 that campaign against firms. These include stand-alone organizations as well as branches of larger organizations. For these 413 organizations, we attempted to collect contact information (sometimes organizations would not divulge this) and then telephone the organization and ask for their participation.

The second method for identifying relevant organizations was to use Lexis-Nexis newspaper searches for the last five years from five major English language newspapers (Asian Wall Street Journal, Financial Times, New York Times, Seattle Times, The Guardian) from across three continents. Searches were done on a multitude of combinations of search terms (e.g., “campaign”, “corporation”, “environment”, “child labor”). We skimmed the resulting articles to identify relevant organizations, and then brought the non-duplicates into the database. This search yielded 110 new organizations that were not in the database from the first, webspider method. As with the first method, we then collected contact information and telephoned them to invite them participate in the survey. An added benefit of this search method is that we could flag organizations that ran campaigns that were important enough to make it to the world’s major papers.

Of the 513 organizations identified through the two methods, 127 could not be reached by telephone and 38 denied challenging firms, and thus were inappropriate to the study. Thus we had a final relevant starting sample frame of 348 organizations. Of these, 35 declined to participate. To date (the data collection is ongoing) we have 126 completed surveys, from five continents, for a response rate of 36%.