

Dear all,

This is an overview of my dissertation argument, which is on the impact of corporate networks on social movement outcomes. I'm especially keen to hear your thoughts on a) the theoretical approach, b) ways to take this further – what questions remain unanswered after this paper? Thanks very much.

Tarun

Business Unity and Anti-Corporate Protests: The U.S. Fortune 500 in 2010

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Do large corporations respond to social movement protests following a firm-centric rationale or do they develop their strategies relationally? If they do so relationally, do corporate networks help foster class-wide unity in their responses to protests? We address these questions through an examination of protests against U.S. Fortune 500 firms that incorporates data on board of director interlocks and corporate involvement in policy-planning organizations. Utilizing firm- and dyadic-level analyses, we show that firms more embedded in the board of directors network concede to protest demands less often while retaliating against protesters more. In addition, firms more involved in liberal policy groups are more likely to concede and less likely to retaliate, while firms more involved in conservative policy groups show the reverse pattern. These findings suggest that class-wide networks shape corporate responses to protests in ideologically identifiable ways and enable greater unity between these firms.

In 2010, members of the United Food & Commercial Workers union formed a picket and called a strike against Shaw's Supermarkets over benefits and pay. A subsidiary of Supervalu at the time, Shaw's responded by hiring replacement workers, before ultimately offering partial concessions in the new contract. Why do the largest corporations in the U.S. concede to protest demands? On one hand, there is little reason they should. These are, in most cases, highly established and resourceful organizations and the power of protestors, however well coordinated, is usually relatively minor (e.g., the campaign against Shaw's cost the company roughly \$13 million, a mere fraction for a parent company with sales over \$44 billion that year). Yet numerous studies demonstrate that large corporations often do concede. Not only do firms decide whether to acquiesce, but also whether to take any further action to respond to the situation. Responses take many forms, ranging from relatively normative actions such as putting out media campaigns to more transgressive tactics such as retaliating against protesters.

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Social movement scholars have developed a prolific body of research on anti-corporate activism (e.g., Clawson 2003; King 2008a; Soule 2009), demonstrating the ways in which activists impact their corporate targets, attain leverage, and achieve concessions. Yet prior quantitative research has emphasized the specific dynamic between social movements and individual firms, neglecting the possibility that firms respond to protests in socially constructed ways based on their relationships with other firms. On the other hand, business unity scholars claim that the social ties among corporations foster capitalist collective action. The political influence of corporate networks has been well documented (e.g., explaining involvement in federal advisory committees, testimony before congress, policy formation, and financial contributions to campaigns) (Useem 1984; Mizruchi 1992; Dreiling and Darves 2011). But scholars have not yet examined the impact of corporate networks in shaping responses to protests. Coupled with case studies on the class dynamics of movements (e.g., Schwartz 1976; Hetland and Goodwin 2014; see Barker, Cox, Krinsky, and Nilsen 2014), this suggests research on social movements can be furthered with an investigation into the collective action of corporations faced with movement opposition.

The present study fills this gap by examining the impact of social relations among large U.S. corporations on their responses to movement protests. Drawing on insights from business unity, the analysis is motivated by two key questions: Do firms develop their response strategies individually or in socially constructed ways with other firms? If they do so relationally, does this imply firms show unity in their responses? Using an original dataset on protests against U.S. Fortune 500 corporations, we examine two corporate responses: whether firms concede to protest demands and whether they undertake any retaliatory action against protestors. We incorporate a business unity approach by testing the effects of corporate networks on responses to protest, while also controlling for a variety of protest and firm characteristics that are traditionally considered in quantitative social movement research. The analysis is conducted in two steps. First, we employ modified Heckman 2-stage logistic regression models to assess the factors that lead to concession or retaliation. Second, we use logistic Quadratic Assignment Procedure (QAP) regression to evaluate the likelihood that pairs of firms respond to protests in similar ways. These firm- and dyadic- level models complement each other by predicting not only how individual companies respond to protest, but also how membership in corporate networks translates into similarity of behavior. The results suggest that a firm's embeddedness in class-wide networks shapes its responses to protests and fosters greater unity in responses.

THEORETICAL FRAMEWORK

Foundations of Business Unity Research

The field of business unity research originates in classic debates on the existence of a corporate class and whether this class needs to organize to maintain its dominance. Pluralists claim that power is dispersed widely through society. When power begins to concentrate in one domain, it tends to be balanced out by other groups with independent and often competing interests. Consequently, corporate collective action is limited, fractioned, and counteracted by other actors, both within the business world and outside it, including the state (Dahl 1961). Elite theorists, on the other hand, see power as concentrated in the hands of a few major groups, including large business enterprises. Powerful actors tend to compete less with each other and

instead coincide on major points of interest, giving rise to an identifiable corporate class (Mills 1956).

While elite theorists and Marxists agree that a distinct corporate class exists, they take various approaches to the question of whether the corporate class needs to organize. One strand argues that capitalists do not organize collectively, either because they cannot overcome competitive pressures, or because capitalist control over the means of production ensures that the state protects their interests, making collective action unnecessary (Poulantzas 1974; Block 1979). On the other hand, power elite theorists argue that the state does not inevitably function in the interest of capital. They also hold that capitalists are capable of collective action. Class control is thus seen as a social phenomenon and not an inevitable product of capitalist ownership of the means of production (Zeitlin 1980; Roy and Parker-Gwin 1999; Domhoff 2006 [1967]).

These theoretical foundations generated an extensive body of research demonstrating the influence of corporate collective action in a number of areas. “Business unity” scholars highlight two key mechanisms through which capitalists realize their interests and maintain control of the firm and the broader environment: networks formed through shared memberships in policy planning groups (Domhoff 2006 [1967]; Burriss 2008) and through the boards of directors of different corporations (Mills 1956; Mizruchi 1989). Such networks are a source of shared information and help unify the corporate elite (Palmer 1983; Useem 1984). Furthermore, they provide evidence that firms take collective action to gain class-wide control of the environment and that it is not just similar structural positions that lead to joint political behavior (Mizruchi 1996).

Business Unity and Collective Action

Unity theorists begin by distinguishing between relatively narrow matters of control over the firm and long-term political control. Regardless of who manages the daily operations of the firm, the long-term political control of firms is guided by a small set of actors concerned with the interests of the capitalist class (Mintz and Schwartz 1985). Where Mills (1956) formulated his initial critique of pluralism by drawing this distinction, business unity research has extended the critique methodologically and theoretically, using network analysis to demonstrate that large corporations form networks of connections that span their class. Corporate networks structure collective action in various political spheres, ranging from federal policy formation to corporate involvement in electoral politics and ad-hoc policy groups (Useem 1984; Dreiling and Darves 2011). These studies demonstrate that when it comes to matters of political importance to large corporations, control does not lie purely within individual firms but extends across a mostly unified corporate class.

Unity theorists further claim that this control is socially constructed. Relationships between these networks reduce political conflict, foster a more unified agenda and shape the broader collective control of the environment (Useem 1984; Palmer, Friedland, and Singh 1986; Mizruchi 1990; Akard 1992). Consequently, these networks also help foster a class-wide perception of the threats that face large corporations. Firms shape the dominant capitalist views on a range of matters through social relationships. In turn, information diffuses through corporate networks, allowing firms to have a better understanding of the business position (Useem 1984).

Corporations both share common interests and, in a more reflexive process, construct their interests through this process (Roy and Parker-Gwin 1999).

In contrast, a disunity approach contends that control over the firm lies primarily within individual organizations. This does not imply firms are atomistic actors or incapable of collective action. However, unified collective action is the exception and not the norm (Dreiling and Darves 2011). Furthermore, the logic underlying any unified action is not one of class-wide considerations. Firms may be compelled to act collectively but it is because it either benefits them individually, or fulfills limited sectoral interests. For example, firms in the same primary industry may have aligned political agendas stemming from similar structural positions (Mizruchi 1992). This can lead to collective action, such as through industry trade associations (Peschek 1987).

However, affiliations in sectoral networks are formed through different logics than class-wide associations: where shared industry interests underwrite the sectoral networks, interlocks in the board of director network are formed when firms attempt to gain a broader understanding of the environment. They do so by recruiting directors from sectors different than their own and from a variety of sectors overall (Useem 1984). Sectoral associations may shape the political behavior of a large number of firms in individual industries, but they do not advocate for the broader corporate class. In seeing capitalist collective action as temporary and fractioned, a disunity approach is consistent with pluralist conceptions of power: while firms may be united in some cases, they are balanced out by unified firms in competing sectors (Dahl 1961).

Although unity researchers have not applied their lens to corporate behavior around social movement protests, their attention to the social mechanisms of corporate political action are instructive here. The emphasis on internal firm control of the disunity approach orients us to the importance of features of the firm in explaining corporate responses to protest. In contrast, a business unity perspective suggests that class-wide networks are more important for shaping outcomes.

Anti-Corporate Social Movement Research and Business Unity

How does research on anti-corporate protest speak to a business unity approach? We briefly review four broad approaches to studying anti-corporate protests, and then suggest how a business unity perspective augments extant literature. First, a large body of research explains how success is shaped by the benefits and costs of the movement. Businesses weigh the costs of disruption against those of concession in determining their responses (e.g., Luders 2006). Generally, movements that negatively impact the firm are more likely to be successful. Movements may attain leverage by impacting the firm's share values (Pruitt and Friedman 1986), reputation (Sikkink 1986; King 2008b) or production lines. The underlying feature of these studies is an emphasis on how movement actors attain leverage by imposing costs on the firm.

Correspondingly, characteristics of individual firms are instrumental in minimizing protest costs. For example, a firm may be shielded from the imposition of financial costs by its cash flow (King and Soule 2007), or from threats to its image by a better pre-existing reputation (King 2008b). Alternatively, firms may limit disruption costs by building in redundancies in

operations (Schwartz and Murray, forthcoming). While the previous approach highlights the costs of the protest, these studies demonstrate how features of the firm help mitigate these costs.

A third line of scholarship underscores the influence of internal stakeholders and coalitions on social movement success. Encapsulated under the “firm as polity” approach, these studies highlight the influence of employees, management and leadership, and other stakeholders in determining movement outcomes. For example, Raeburn (2004) shows that employee networks play a key role in forming LGBT groups in large corporations, with supportive corporate officials having an added effect. Research on the anti-biotechnology movement in Germany demonstrates that corporate responses are shaped in part by the unity of elites in the firm. Diversified firms are more likely to be led by those who come from sectors outside biotechnology. These officials are consequently less invested in biotechnology, creating divisions amongst top leadership and weakening the firms’ commitment to the technology (Weber, Rao, and Thomas 2009). Alternatively, movements that acquire ownership in targeted firms can exercise their right as shareholders to bring resolutions to a vote at annual meetings, forcing the company to confront issues of interest to the movement (Davis and Thompson 1994; Soule 2012).

A final stream of research broadens the analysis to elaborate on how the actions of other corporations shape a firm’s response to activism. When firms are confronted with uncertainty—such as that arising from protest pressure—they often look to and emulate others in the environment (DiMaggio and Powell 1983). They may coordinate their responses to minimize associated risks, such as the joint announcement of gay-inclusive benefits packages by automakers Ford, General Motors, and DaimlerChrysler (Raeburn 2004). Correspondingly, social movements may achieve success from subsequent corporate targets by first gaining concessions from prominent firms (Zald, Morrill, and Rao 2005). By pointing to prior adopters, movements can stress the reduced risk for the target firm (Scully and Creed 1998). Firms respond positively to protest pressure because they are pressured to or emboldened by the actions of other firms (e.g. Briscoe and Safford 2008).

Of course, the political opportunities that social movements face are nested within multiple levels (Soule 2009). At the most proximate level, the outcomes of movements are impacted by firm-level characteristics (e.g., firm leadership and financial performance) (Raeburn 2004; King 2008a). These firm-level factors are contained within broader industry opportunities, such as industry concentration and competition (Raeburn 2004; Schurman 2004). In turn, these opportunities are shaped by domestic structures, such as national regulatory and legal environments (Edelman and Suchman 1997; Pedriana 2006). Together, these coalesce into a “corporate opportunity structure” that shapes the outcomes of protest.

To summarize, the outcomes of anti-corporate activism are traditionally explained by costs to the firm, features of the firm that help mitigate these costs, the alignment of internal stakeholders, and industry and isomorphic pressures. Although they highlight different factors, these approaches tend to fall in line with a business disunity perspective by suggesting that firms act primarily in their own interests. Even studies of the social aspects of corporate responses reinforce the industry-faction that is central to the disunity perspective. Raeburn’s (2004) study on the diffusion of gay-inclusive corporate practices demonstrates that large corporations

frequently base their decisions on other firms, yet their considerations remain within their industries. Rather than acting as a truly unified corporate class, firms only respond when key companies in their own industries announce their positions. The central mechanisms are of industry-based competition and imitation, with firms seeking to avoid becoming the last companies in their sector to offer gay-friendly policies. Although prior scholarship elaborates on a range of nested opportunities, the analysis is typically restrained within firm- or industry-level factors. In contrast, we expand the analytic lens to quantify how broader class-based factors structure protest outcomes.

In their critique on the neglect of capitalism in social movement research, Hetland and Goodwin (2014) contend that movements are indelibly bound in the dynamics of capitalism. At the broadest level, capitalism underwrites the very conditions for movement emergence. But capitalism also shapes the effectiveness of movements, as well as the strategies and goals that movements pursue. Thus, movement emergence, organization, and success cannot be divorced from the capitalist structures in which movements operate. As demonstrated by business unity theorists, a key question of contemporary capitalism concerns the degree to which capitalists (and large corporations specifically) are organized. This has implications for the leverage that protests can achieve over firms. With a focus on firm control and limited sectoral rationality, a disunity approach orients us to gauge how features of the firm shape leverage. Acknowledging this, a unity perspective further argues that the ways in which firms perceive threats to them, as well as the costs they are willing to absorb, may themselves be shaped by a firm's embeddedness in capitalist networks.

Embeddedness in class-wide networks allows firms to be more politically conscious and involved (Useem 1979, 1984) and engage in political activity with class-wide considerations (Mizruchi 1989). More embedded firms also tend to be more ideologically conservative: they are more likely to oppose intervention from the state, and support deregulation and the reduced power of labor and unions (Akard 1992; Vogel 1989). This ideological cohesion solidifies a capitalist class-wide resistance to consider those acting outside the purveyor of free-market forces as legitimate actors, making them more hostile to the claims of insurgents. If this is the case, then the leverage protestors can achieve is not just a function of features of the protest or of the individual firm, but is shaped by the target firm's embeddedness in the capitalist class.

HYPOTHESES

A number of insights from the business unity and disunity perspectives speak to the question of how corporations respond when faced with protest. We draw hypotheses at both the firm and dyadic levels. The firm-level analysis examines the ways in which corporate networks influence whether a firm concedes to protest demands or retaliates against protestors. The dyad-level analysis further tests the effects of these networks on similarity of behavior. That is, we test whether corporate networks influence the responses of individual firms, as well as whether involvement in such networks fosters unity between firms in how they respond. As we focus on business unity, we do not specify formal hypotheses regarding characteristics of the protest. However, we control for key variables from prior research, including the form of the protest, actors involved, claims made, political support, police activity, and media coverage (see Table 4) (Oliver and Myers 1999; King 2008b; Soule and Davenport 2009). We first specify hypotheses

regarding business unity and disunity for firm-level models (Table 1) and then summarize the transformations made to apply them to dyadic analyses.

Business Unity Hypotheses

Unity theorists stress the role of corporate interlocks in shaping the political orientation of firms. Interlocks are formed when the members of two different organizations are affiliated in some way. In the case of interlocking directorates, this is through shared membership on the boards of directors of publicly traded corporations. In policy planning groups, shared leadership positions connect firms to groups that form and advocate for political positions on issues of interest to corporations. We not only consider these two sets of affiliations, but additionally delineate policy group membership by political ideology.

Table 1. Firm-level hypotheses on responses to protest

Concept	Hypotheses for Firm-Level Models
<i>Business unity factors:</i>	
Board of director embeddedness	Firms more embedded in the board of director network are less likely to concede. Firms more embedded in the board of director network are more likely to retaliate.
Moderate-liberal policy membership	Firms more interlocked with moderate-liberal policy groups are more likely to concede. Firms more interlocked with moderate-liberal policy groups are less likely to retaliate.
Moderate-conservative policy membership	Firms more interlocked with moderate-conservative policy groups are less likely to concede. Firms more interlocked with moderate-conservative policy groups are more likely to retaliate.
Ultra-conservative policy membership	Firms more interlocked with ultra-conservative policy groups are less likely to concede. Firms more interlocked with ultra-conservative policy groups are more likely to retaliate.
<i>Business disunity factors:</i>	
Political conservatism	Politically conservative firms are less likely to concede. Politically conservative firms are more likely to retaliate.
Firm reputation	A firm's reputation shapes its concession responses. A firm's reputation shapes its retaliatory responses.
Public relations response	A firm's public relations after a protest shapes its concession responses. A firm's public relations after a protest shapes its retaliatory responses.
Corporate social responsibility.....	Socially responsible firms are more likely to concede. Socially responsible firms are less likely to retaliate.

Board of Director Embeddedness.

Embeddedness in the board of director network fosters a more conservative ideology that opposes the claims of those acting outside market forces (Akard 1992; Vogel 1989). Central firms tend to promote broadly conservative agendas such as the advancement of free trade policies and conservative politicians (Clawson and Neustadtl 1989; Dreiling and Darves 2011). This suggests that firms more embedded in this network are more intransigent to the claims of outsiders.

H1a: Firms more embedded in the board of director network are less likely to concede.

H1b: Firms more embedded in the board of director network are more likely to retaliate.

Policy Group Embeddedness

While a firm's embeddedness in the above network has already been shown to impact corporate political activity, what has been overlooked is an understanding of the ideological influence that is shared through corporate networks. We therefore also consider a firm's involvement in 12 of the most influential policy-planning organizations in the US. We follow Burris (2008) in conceptualizing the political orientation of policy groups as moderate-liberal, moderate-conservative, and ultra-conservative. While these organizations are all generally supportive of and highly constituted by large corporations, they take varying approaches to advancing business interests, with moderate-liberal groups less hardline and ultraconservative groups tending to be most hardline. This extends to their views on the role of the state and involvement of labor, with the more conservative groups staking firmer positions against governmental regulation, collective bargaining, and labor rights at large. Table 2 lists the groups by ideology.

Table 2. Policy planning organizations by ideology

<i>Moderate-liberal</i>	<i>Moderate-conservative</i>	<i>Ultra-conservative</i>
<ul style="list-style-type: none"> •Brookings Institution •Committee for Economic Development •Council on Foreign Relations •Trilateral Commission 	<ul style="list-style-type: none"> •Business Council •Business Roundtable •Conference Board 	<ul style="list-style-type: none"> •American Enterprise Institute •Chamber of Commerce •Heritage Foundation •Hoover Institution •National Association of Manufacturers

Although they are broad classifications, the distinctions between these three political orientations are analytically meaningful and empirically supported (Burris 2008). For instance, the moderate-liberal Committee for Economic Development (CED) has been a pivotal group in bringing corporate social responsibility practices into mainline business practices. In an influential series of papers, the CED outlined *A New Rationale for Corporate Social Policy* based on an ideology of "enlightened self-interest," arguing that business and broader social interests need not be incompatible (Soule 2009: 21). In contrast, the American Enterprise Institute, Heritage Foundation, and Hoover Institution spearheaded the conservative shift in the 1970s and 80s, fomenting a New Right ideology that was not only conservative economically but socially and in foreign policy as well (Berlet and Lyons 2000; Burris 2008). In addition, the Chamber of Commerce and National Association of Manufacturers have had a long partnership with right-wing groups (Diamond 1995; Burris 2008).

We expect that policy group interlocks not only shape firm behavior, but that the political orientation of the group shapes behavior in ideologically identifiable ways. We hypothesize that firms with leadership positions in more liberal groups are more likely to concede to demands and less likely to retaliate against protestors. Correspondingly, leadership in more conservative policy groups should have the reverse effect. Together, these hypotheses allow us to not only test the effects of a firm's embeddedness in corporate networks, but also assess whether the ideology of the organizations a firm is connected to structures its responses to protest.

H2a: Firms more interlocked with moderate-liberal policy groups are more likely to concede.

H2b: Firms more interlocked with moderate-liberal policy groups are less likely to retaliate.

H2c: Firms more interlocked with moderate-conservative policy groups are less likely to concede.

H2d: Firms more interlocked with moderate-conservative policy groups are more likely to retaliate.

H2e: Firms more interlocked with ultra-conservative policy groups are less likely to concede.

H2f: Firms more interlocked with ultra-conservative policy groups are more likely to retaliate.

Business Disunity Hypotheses

In contrast to an emphasis on corporate networks, a disunity approach suggests that characteristics of individual corporations are sufficient to affect concession or retaliation. These characteristics include the firm's political conservatism, reputation, public relations response, and corporate social responsibility.

Political Conservatism

In seeing control as lying primarily within the firm itself, a disunity approach highlights the political orientation of the individual firm. One of the most studied facets of a corporation's politics is the activity of its political action committees (PACs). Where policy group affiliations measure how a firm's political alignments are shaped externally through network affiliations, corporate PACs are tied to individual firms and capture the effect of the firm's internal political activities. The candidates and political parties supported through corporate PACs are related to a range of firm behaviors, from their use of "grassroots lobbying" tactics (Walker 2009) to their corporate social responsibility practices (Chin, Hambrick, and Treviño 2013). Although it is difficult to narrow the political orientation of an entire firm to one dimension, the CEO and top leadership determine the commitments of corporate PACs (Clawson, Neustadl and Scott 1992). As such, those commitments are indicative of a broad political orientation that shapes a corporation's response to protests. We expect that firms that are more politically conservative may be less responsive to the claims of activists.

H3a: Politically conservative firms are less likely to concede to protests.

H3b: Politically conservative firms are more likely to retaliate against protestors.

Firm Reputation

With a firm-based conception of control, a disunity approach implies that the ability for firms to minimize protest costs comes from the internal capacity of the firm. An important resource that impacts protest outcomes is the firm's reputation. On one hand, well-regarded firms may be shielded from protest pressure. A positive reputation can give a firm a unique competitive advantage in the industry, lessening the uncertainty it faces and limiting the influence of external actors (Vogel 1978; Zald, Morrill, and Rao, 2005; King 2011). On the other hand, respected firms are good targets for activism, providing protestors with an important form of leverage (Klein 1999). Damages to a firm's reputation can signify the efficacy of the protest campaign to stakeholders, increasing pressures to concede to demands (Sikkink 1986; King

2008a). Thus, a positive reputation may either safeguard a firm from pressure or increase its vulnerability.

H4a: A firm's reputation shapes its concession responses to protests.

H4b: A firm's reputation shapes its retaliatory responses to protests.

Public Relations Response

Although a disunity approach orients us to the environmental uncertainty faced by firms, it stresses that firms develop responses to this internally (e.g. Hickson et al 1971). One major approach is for the company to cultivate a public relations response (Nelson 1990). Firms are more likely to put out press releases that stress their social responsibility in the face of a boycott campaign, particularly when the boycott receives a large amount of media coverage (McDonnell and King 2013). A firm's media response to protest may be indicative of its perception of the threat faced (e.g. Raeburn 2004: 122, 228). On one hand, it may indicate the firm's responsiveness to the claims of outsiders. On the other, firms that intend to deny protest demands or take other punitive steps against protestors may use the media to preempt resulting criticism.

H5a: A firm's media relations after a protest shapes its concession responses to protests.

H5b: A firm's media relations after a protest shapes its retaliatory responses to protests.

Corporate Social Responsibility

A key insight of the disunity approach is that firms develop internal practices that make them more or less amenable to external demands. Corporate social responsibility (CSR) refers to a wide range of initiatives outside profit motives that a firm can take to promote the wellbeing of its employees, the community, the environment, or society at large. This can shape the successes of movement activism. For example, LGBT groups are more likely to be formed in companies with more positive CSR profiles (Briscoe, Chin, and Hambrick 2013). A company's CSR efforts also impact the likelihood of it being a target for activism. While corporations sometimes make efforts to improve their CSR profiles in response to protest (Soule 2009), this can, in turn, make the firm more likely to become a future target (King and McDonnell, working paper). Companies that are more socially responsible should thus be more willing to accept the legitimacy of activist claims and act accordingly.

H6a: Socially responsible firms are more likely to concede to demands.

H6b: Socially responsible firms are less likely to retaliate against protestors.

Facilitating Corporate Unity

A business unity approach contends that not only do class-wide networks shape corporate political behavior, they also help unify firm actions. Business unity scholars typically operationalize this by testing the impact of corporate networks at the dyadic level (e.g. Mizruchi 1992; Dreiling and Darves 2011). This changes the unit of analysis from a firm (e.g. Wal-Mart) to all pairs of protested firms (e.g. Wal-Mart and Coca-Cola Enterprises). Where the first set of hypotheses treats the firm as the unit of analysis, business unity hypotheses are fundamentally relational. For instance, in measuring the impact of the interlocking directorate network, it matters not just whether embeddedness shapes protest outcomes, but whether it is the links between these firms themselves that enables similar behavior. The logic underlying dyadic models is that firms that have more in common will also be more likely to exhibit similar

behavior. Performing both analyses consequently allows for an investigation into how individual actions are translated into similar behavior and enables a more robust examination of corporate unity around protests.

The dyadic hypotheses are equivalent to the firm-level hypotheses with one exception: we include a hypothesis on industry similarity. The disunity approach stresses that when firms act collectively, this tends to be based on narrower industry logics. Prior research shows that industry characteristics shape the political behavior of firms (e.g. Neustadl and Clawson 1988) as well as their response to protest (Soule 2009). Unfortunately, the sample size and diversity of industries protested preclude inclusion in the firm-level models. However, to bring our study in line with other research on business unity, we include a measure of industry similarity at the dyadic level (Mizruchi 1992). For space considerations, we do not elaborate on each of the dyadic hypotheses individually but summarize them in Table 3.

Table 3. Dyadic-level hypotheses on responses to protest

Concept	Hypotheses for Dyadic Models
<i>Business unity factors:</i>	
Shared boards of director members	Dyads with more shared directors are less likely to jointly concede to protests. Dyads with more shared directors are more likely to jointly retaliate against protestors.
Shared moderate-liberal policy membership	Dyads with more shared interlocks with moderate-liberal policy groups are more likely to jointly concede to protests. Dyads with more shared interlocks with moderate-liberal policy groups are less likely to jointly retaliate against protestors.
Shared moderate-conservative policy membership	Dyads with more common interlocks with moderate-conservative policy groups are less likely to jointly concede to protests. Dyads with more common interlocks with moderate-conservative policy groups are more likely to jointly retaliate against protestors.
Shared ultra-conservative policy membership	Dyads with more common interlocks with ultra-conservative policy groups are less likely to jointly concede to protests. Dyads with more common interlocks with ultra-conservative policy groups are more likely to jointly retaliate against protestors.
<i>Business disunity factors:</i>	
Political conservatism	Dyads of firms that are more politically conservative are less likely to jointly concede to protests. Dyads of firms that are more politically conservative are more likely to jointly retaliate against protestors.
Firm reputation similarity	Dyads where both firms have highly regarded reputations are more likely to jointly concede to protests. Dyads where both firms have highly regarded reputations are less likely to jointly retaliate against protestors.
Public relations response similarity	Dyads of large firms are less likely to jointly concede to protests. Dyads of large firms are more likely to jointly retaliate against protestors.
CSR similarity	Dyads where both firms have higher CSR profiles than industry averages are less likely to jointly retaliate against protestors.
Industry similarity	Dyads of firms with more industries in common are more likely to have similar concession responses to protests. Dyads of firms with more industries in common are more likely to have similar retaliatory responses against protestors.

RESEARCH DESIGN

We incorporate the various perspectives in the following ways: first, we test unity theory by examining the impact of a firm's embeddedness in class-wide networks; second, we assess disunity theory by identifying a number of relevant firm characteristics that impact responses to protests; finally we use social movement theory to measure the influence protests may have on firms. We use a modified Heckman approach clustered by targeted corporation to test hypotheses on individual firm responses to protests. To test whether corporate networks help unify these responses, we also use dyadic-level logistic Quadratic Assignment Procedure (QAP) regression.

Sample

The sample consists of protests against publicly traded companies and wholly owned subsidiaries amongst the US Fortune 500 in 2010. Following an established tradition (see Earl et al 2004), we collected data on protest events against firms reported in newspapers using the LexisNexis online database. We chose national papers (including *The New York Times* and *The Wall Street Journal*) as well as state and regional papers (such as *The Baltimore Sun* and *The Saint Louis Post-Dispatch*). This diversity allows for a broader geographic range of coverage and more accurate measures of protest coverage than achieved by using a single or very few sources. Appendix B lists all newspapers used.

We collected newspaper articles on protests through two methods. First, we used LexisNexis subject indices on matters related to protests (e.g. labor disputes and negotiations, boycotts, parades and marches, protests and demonstrations). We included articles that contained any references to companies in our sample that were indexed with any protest-related subjects. Second, we used multiple keyword searches, generated through an iterative process.¹ We applied these searches to coverage from the beginning of 2010 until two weeks into 2011, and subsequently used additional keywords culled from specifics of the protests (such as the actors or claims) to searches until the end of 2011 to identify outcomes of the protest. We constructed the codebook of protest features inductively, creating and organizing categories until diminished marginal returns yielded no more categories for protest forms, actors, claims, contentiousness, and outcomes (see Appendix A).

A protest was included if it comprised three or more people in a public arena and had an identifiable demand of a corporation. We excluded routinized claims making, such as scheduled contract negotiations or government agency hearings. We included all strikes, not only wildcat strikes or those otherwise deemed illegal, because the rarity of this form of protest among contemporary U.S. workers and the hostile opposition from companies make strikes a relatively non-routinized and contentious form of protest (Bandzak 1992; Lambert 2005). Coding of the newspaper data resulted in 117 protests against 64 corporations amongst the Fortune 500.²

¹ We read *The New York Times* for a random week in 2009 and identified articles referencing protests against corporations. We then applied an initial selection of protest keywords combined with names of corporations for that week. This resulted in some Type 1 Error (articles we found that the keyword search did not) and some Type 2 Error (the search returned some spurious articles). We added keywords culled from these additional

² We did not include protests for which newspaper coverage did not allow for an assessment on these major categories: protest actors, demands, tactics, and firm responses.

Dependent Variables

Each variable has both a firm specific measure as well as a dyadic measure of similarity (see Table 4, following page). We analyze two outcomes: *concession* to protest demands and *retaliatory action* against protestors. Although previous research has considered predictors of firm concessions, retaliatory responses remain understudied (Soule 2012). Furthermore, these measures capture very different firm behaviors ($r = .05$). We assessed these outcomes by analyzing newspapers for reportage on company actions in response to the protests. We included only substantive responses (e.g. Lowe's stopped selling 2 of 4 brands protested by animal rights activists), excluding symbolic responses (e.g. promises to examine an issue or denunciations of protestors). At the firm level, two dichotomous variables indicate whether the firm engaged in any substantive concession or retaliation. At the dyadic level, similarity indicates whether both firms in a dyad conceded to demands or if both retaliated against protestors.³

Business Unity Variables

We examine class embeddedness in two ways. First, we use the interlocking board of director network among Fortune 500 companies to determine a company's centrality score. Board membership data are from LexisNexis *Corporate Affiliations*. Using the UCINET software (Borgatti, Everett and Freeman 2006 [1999]), *board of director centrality* is determined not just by how many other firms a company is linked to, but is also weighted by how central those linked firms are (Bonacich 1972). This technique rests on the principle that companies with links to more central firms are more embedded in the network than those with links to more isolated firms.

Second, we measure the interlocks of corporations with policy-planning organizations. Drawing from archived websites of these organizations (www.archive.org)⁴, we compile data on corporate leadership roles in 12 major policy groups and classify them as *moderate-liberal*, *moderate-conservative*, and *ultra-conservative interlocks*. For the firm-level analysis, we consider which organizations a firm takes leadership in, as well the number of positions on the board or leadership committee of the policy group. We operationalize interlocks as the number of corporate officials that sit on these policy group boards. Most firms have only one official involved in a policy group, but a few firms have 2 or 3 officials on the boards of the same policy groups. We count each membership because we presume that firms with multiple members will be more embedded than those with only one official serving on the board. Thus, a firm with 4 interlocks with ultra-conservative policy groups has 4 officials who serve on any of the policy group boards we classify as ultra-conservative. At the dyadic level, we calculate the number of groups in which both firms have a leadership position, also by political ideology.

Business Disunity Variables

The business disunity perspective is measured by four features of individual firms: political conservatism, firm reputation, public relations response, and corporate social

³ Keeping with prior research (e.g. Dreiling and Darves 2011), we did not include mutual "inaction" as similarity (i.e. neither conceding or neither retaliating) due to the statistical and conceptual difficulty in terming inaction as similar behavior.

⁴ We recognize that some corporations may conceal their membership from these websites. However, we find similar board sizes compared to those collected by various additional archival means in a prior year (data made available by Val Burris).

responsibility. Using data compiled from the Center for Responsive Politics (available at www.opensecrets.org), we measure *political conservatism* as the percent of total PAC contributions given to Republican candidates. At the dyadic level, we average this value for the two firms in a dyad.

Table 4. Variables and Operationalization

	Firm level	Dyadic level
Dependent Variables		
Concession	Firm conceded to demand=1	Both firms conceded to demands=1
Retaliation	Firm retaliated against protestors=1	Both firms retaliated against protestors=1
Business Unity		
Board of director interlocks ..	Bonacich centrality scores	Number of shared directors
Moderate-liberal policy membership	Number of interlocks to moderate-liberal groups	Number of moderate-liberal groups both firms interlocked with
Moderate-conservative policy membership	Number of interlocks to moderate-conservative groups	Number of moderate-conservative groups both firms interlocked with
Ultra-conservative policy membership	Number of interlocks to ultra-conservative groups	Number of ultra-conservative groups both firms interlocked with
Business Disunity		
Political conservatism	Percent of PAC contribution amounts given to Republicans	Average percent of PAC contribution amounts given to Republicans
Firm reputation	Fortune “Most Admired” scores (0-10); not on list=0	Both firms on Fortune’s “Admired” list=1
Public relations response	Gave a statement or issued press release in response to protest =1	Both firms gave statement or issued press release in response to protest =1
Corporate social responsibility	Scale of 1-5, with value=1 if corporations CSR score was higher than the industry average in each of 5 domains: community relations, diversity, employee relations, the environment, and products produced.	Number of shared issues in which both firms were rated favorably or both unfavorably in 5 domains: community relations, diversity, employee relations, the environment, and products produced.
Industry		Number of 2-digit SIC codes in common
Social Movement		
Protest form	Boycott=1 Strike=1	Number of forms of protest in common*
Protest actors	Labor=1	Number of groups of actors in common*
Protest claim	Internal policy=1 Environment=1	Number of protest claims in common*
Police	Ordinal: None=0; present, no action=1; containment=2; removed protestors=3; arrests=4	Both protests had police presence=1
Politician support	Supportive government officials=1	Both had supportive government officials=1
Media coverage	Number of newspaper articles covering protest	Number of newspapers covering both protests

* See Appendix A for full list of categories

Following other research on *firm reputation*, we use ratings from *Fortune Magazine’s* “Most Admired Companies” (e.g. King 2008a). Compiled from surveys with analysts and executives, the list provides numerical scores from 0 to 10 for the largest U.S. and global firms. At the firm level, we include the company’s score. As both our protest sample and the *Fortune* rankings concern the largest corporations, we conclude that firms not on the list are not reputed

companies and impute a value of 0 for them. At the dyadic level, we create a binary variable with presence indicating that both firms are on the list.

A firm's *public relations response* includes whether a firm gave a statement or issued a press release in response to the protest. Using the LexisNexis online database, we create a binary variable indicating if the firm had given either response. The dyadic level variable indicates whether both firms gave a statement or issued a press release.

For *corporate social responsibility*, we draw from the Kinder, Lydenberg, Domini (KLD) database for annual ratings of firms, the most established source for such data (Vogel 2005). We use ratings on 5 broad issues: product quality, employee relations, diversity, community relations, and environmental impact. For each issue, the database lists a number of related sub-categories that note whether the firm had a known strength or weakness each year (e.g. see Chatterji and Toffel 2010). Since these domains are of variable importance in different industries, for each company we first calculate the average CSR ratings of all Fortune 500 firms with the same 2-digit SIC classification excluding the focal firm (Matten and Moon 2008; Chin et al 2013). Then, for each firm, we create an index, adding 1 for each of the 5 domains in which the firm rates higher than others in the industry. A rating of 0 is therefore assigned to firms that are consistently less socially responsible than others in the industry, while 5 indicates consistently more responsible firms. At the dyadic level, we create a measure of similarity with 1 for each case in which the two firms are both rated as having a strength or a weakness. We use ratings from the previous year (2009) to mitigate the database referencing issues raised by the protests. Finally, in the dyadic models only, we measure *industry* similarity as the total number of 2-digit SIC codes in which both firms operate (Mizruchi 1992) with data from LexisNexis *Corporate Affiliations*.

Social Movement Control Variables

In addition, we control for a number of characteristics of the protest itself, based on prior research. At a fundamental level, the leverage of protestors is structured by who the actors are, what claims they make, and how they go about doing this (e.g. Klein 1999; Clawson 2003). In addition, outcomes are shaped by other more proximate features of the protest, such as the media coverage received, police activity, and presence of supportive officials.

We account for *protest form* with two dichotomous variables in the firm-level models, indicating the presence of boycotts and strikes. Each of these represents a major protest tactic of consumers and labor respectively (Lambert 2005; King 2008a). At the dyadic level, we operationalize similarity as the number of forms of protest in common in the dyad. Appendix A lists the full range of protest forms considered. We create another binary variable for *protest actor* at the firm level. To account for the unique leverage that workers can bring to corporate targets (e.g. Clawson 2003), this variable indicates whether any workers or labor activists were involved. At the dyadic level, we measure the total number of actors in common. For *protest claim*, we use two variables indicating whether the claim involved an aspect of internal policy for the firm or an environmental claim. These represent two main issues of anti-corporate activism (see Soule 2009). We do not use a variable for employment claims as it is highly correlated with the variable for labor-related actors. Here as well, the dyadic variable measures the total number of overlapping claims between the two protests in a dyad.

To account for the perceived threat of the protest (Soule and Davenport 2009) we include an ordinal variable for *police presence and activity* (see summary in Table 4). At the dyadic level, a binary variable indicates that both protests had some police presence. We also create a proxy variable for institutional support (McCarthy and Zald 1977), indicating whether *government officials expressed support* for the protest or not. At the dyadic level, we measure whether both protests received support from officials. Finally, prior research shows that the leverage of a protest is shaped by the *media coverage* it receives (e.g. King 2008b). We operationalize this at the firm level as the total number of articles that cover a particular protest in the newspapers we examined. In the dyadic models, media coverage measures the total number of newspapers in common that covered both protests. Appendix C presents summary statistics for all of the variables, and Appendix D contains the correlation matrix.

Method

At the firm level, we use modified Heckman 2-stage logistic regression models with clustered standard errors. As some firms are protested multiple times, this violates the assumption of independence amongst cases, resulting in test statistics with inflated Type 1 errors (Williams 2000). We therefore cluster the standard errors by firm.⁵ Furthermore, it is reasonable to assume that some of the variables that predict concession or retaliation might also predict whether a firm is protested in the first place. Thus, we use a 2-stage approach to correct for this potential sample selection bias (Heckman 1979). In stage 1, we first predict whether a firm in our sample was protested using all firm- and network-level variables (see Appendix E).⁶ We use the residuals from these models to calculate the Inverse Mills Ratio (IMR). The IMR can be interpreted as the probability that a firm does not become a target of protest. We then include this ratio in the stage 2 models predicting protest outcomes. This is a frequent practice in protest research with selection bias issues (e.g. Ingram, Yue, and Rao 2010; Wang and Soule 2012; McDonnell and King 2013). The equation for logistic regression is:

$$\log [p_i / (1-p_i)] = \beta_0 + \beta_1 x_i + \beta_k x_k \quad (1)$$

where β_0 is the constant, k is the number of independent variables, β_1 to β_k are unstandardized coefficients for k independent variables, and x_1 to x_k are values on the k independent variables.

Dyadic regression poses an additional problem of dependence amongst observations since each firm is included in multiple dyads. We therefore follow prior research (e.g. Burrell 2005; Dreiling and Darves 2011) and use logistic Quadratic Assignment Procedure (QAP) regression. QAP is a nonparametric method that begins by calculating traditional coefficients. It then randomly permutes the rows and columns of the dependent variable matrix, recalculating coefficients after each permutation. This is similar to keeping the network structure fixed but reshuffling the occupants of the structural positions. This is repeated a number of times (here 1,000), giving a distribution of estimates. By comparing the distribution to the empirical estimates, QAP estimates the likelihood that these were produced by chance, giving confidence scores analogous to statistical significance. In this manner, QAP accounts for autocorrelation and gives unbiased estimates (Krackhardt 1988). We use the network analysis software UCINET

⁵ We also considered a multi-level model with protests nested within firms. However, a test of the full models in Stata indicated these did not provide any advantage over single-level models.

⁶ Results show that more admired firms, conservative firms, and firms with more moderate-liberal policy group memberships are more likely to be protested.

(Borgatti, Everett and Freeman 2006 [1999]). As some firms were protested multiple times, we randomly selected one protest per firm in the QAP models.⁷

RESULTS

Business Unity

We first present results corresponding to the business unity hypotheses, followed by those of business disunity. We begin with descriptive statistics that give an overview of the relationship between firm embeddedness and protest outcomes, and then present the full statistical models. Table 5 shows average scores for the corporate network variables by concession and retaliation responses. At a general level, responses are patterned along corporate involvement in boards of directors and policy groups. Companies that do not concede are 20% more central than those that concede, while companies that retaliate are 13.4% more central than those that do not. Further, firms that do not concede have approximately twice as many overall ties to the policy groups we considered (1.717 versus 0.849) while those that retaliate have 20% more ties to these groups (1.733 versus 1.437). Breaking down responses by ideologies of the affiliated groups also shows meaningful patterns. Firms that concede to protest demands have more moderate-liberal ties and fewer moderate-conservative and ultra-conservative ties than those that do not concede. Correspondingly, firms that retaliate have fewer moderate-liberal ties and more moderate-conservative and ultra-conservative ties than those that do not.

TABLE 5: DESCRIPTIVE STATISTICS ON BUSINESS UNITY AVERAGES

	Concession	No concession	Retaliation	No retaliation
<i>Board of Director Embeddedness</i>				
Director centrality scores	1821.461	2200.060	2337.774	2061.032
<i>Policy Group Embeddedness</i>				
Total number of policy memberships	0.849	1.717	1.733	1.437
Moderate-liberal policy memberships	0.333	0.306	0.067	0.350
Moderate-conservative policy memberships	0.515	1.035	1.200	0.845
Ultra-conservative policy memberships	0.000	0.376	0.467	0.243

With some exceptions, these patterns remain strong in the statistical models. Table 6 (following page) presents results from the logistic regression models predicting individual firm responses. Models 1 and 2 are comparable except for the exclusion of ultra-conservative policy

⁷ To increase confidence that doing so would not bias results, we compared results to logistic regression models with bootstrapped standard errors in additional analyses not shown here. This is a similar approach to QAP but allowed us to retain multiple dyads for firms protested multiple times. For example Protest A against Firm i and Protests B and C against Firm j gave rise to two dyads between these two firms (iA-jB and iA-jC). These did not provide substantively different conclusions, increasing confidence that randomly sampling one protest per firm does not bias the results. We therefore present QAP results to remain consistent with previous research on business unity (e.g. Dreiling and Darves 2011).

group membership in Model 1. (This is because membership in these groups perfectly predicted lack of concession.) Results show that firms that are more embedded in the board of director network are less likely to concede ($\beta= 0.989$, $p < .05$) and more likely to retaliate ($\beta= 1.020$, $p < .05$). Although the coefficient appears small, this is a function of variation in centrality. Centrality scores for this sample range from 14.847 for Frontier Oil to 7872.342 for Verizon, with a standard deviation (SD) of 1885.398. To interpret this more intuitively, a firm one SD more central than the mean is approximately 18.7% less likely to concede and 34% more likely to retaliate than a firm one SD less central than the mean.

TABLE 6: Logistic Regression Predictors on Firm Concession and Retaliation

	(1) - Concession	(2) - Retaliation
Business Unity Factors		
Board of director centrality	-0.001*	0.010**
	0.989	1.020
Moderate-liberal policy membership	0.052	-4.817***
	1.053	0.008
Moderate-conservative policy membership	-0.403*	1.703*
	0.669	5.491
Ultra-conservative policy membership		2.043**
		7.716
Business Disunity Factors		
Political conservatism	-0.036	0.018
	0.965	1.018
Firm reputation	0.082	-0.698
	1.085	0.497
Public relations response	1.498**	1.785
	4.474	5.959
Corporate social responsibility	0.685**	-2.637**
	1.984	0.071
Social Movement Controls		
Form: Boycott	-2.228*	2.616
	0.108	13.679
Form: Strike	1.266	3.048**
	3.546	21.078
Actors: Labor	-0.143	4.626
	0.867	102.103
Claim: Environment	1.586	2.850
	4.886	17.288
Claim: Internal policy	-6.819***	-0.544
	0.001	0.580
Police	0.065	0.096
	1.067	1.101
Politician support	1.266	0.391
	3.548	1.479
Coverage	1.704**	0.637**
	5.497	1.891
IMR	-6.244**	1.367
	0.002	3.923
Pseudo R ²	0.525	0.593
Initial/Final Log Likelihood	-68.645/-32.618	-44.806/-17.092
Mean/Highest VIF	1.940/1.400	1.980/1.510
N	117	117

a) The first number is the regression coefficient and the second is the odds ratio

b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed relationship

Policy group memberships also have a number of significant effects at the firm level. A firm with twice as many moderate-conservative memberships is 33% less likely to concede ($\beta=0.669$, $p < .05$). In addition, recall that the concession model excludes ultra-conservative policy group membership because it perfectly explains lack of concessions. On the other hand, firms with twice as many moderate-liberal affiliations are ~99% less likely to retaliate ($\beta=0.008$, $p < .001$). Further, firms with twice the moderate-conservative and ultra-conservative group memberships are 5.5 times ($\beta=5.491$, $p < .05$) and 7.7 times ($\beta=7.716$, $p < .01$) more likely to retaliate respectively.

Corporate networks appear to shape the behavior of individual firms, but do they also help unify firm responses? Table 7 (following page) presents predictors of similarity in responses between pairs of firms. The independent variables are equivalent to the firm-level models in Table 6 with the addition of a variable for industry similarity. Results indicate that shared affiliations in class-wide corporate networks foster greater similarity of responses. Firms with twice as many shared directors are almost 4 times as likely to both retaliate against protestors ($\beta=3.877$, $p < .05$). Dyads with twice as many shared interlocks with moderate-liberal policy groups were ~2.9 times more likely to jointly concede ($\beta=2.897$, $p < .001$) while those with twice as many interlocks with moderate-conservative groups were 10% less likely to do so ($\beta=0.910$, $p < .05$). Furthermore, doubling the number of shared interlocks with moderate-conservative ($\beta=5.729$, $p < .01$) and ultra-conservative ($\beta=3.737$, $p < .01$) groups corresponds to dyads approximately 5.7 and 3.7 times more likely to jointly retaliate.

While the findings provide support for a business unity approach, it is possible that the network effects are in fact driven by other factors, such as industry forces, or are a spurious result of homophily more broadly. Businesses may be more likely to act collectively with others in the same sector, or affiliations may be patterned along broader industry factions. We find here that a large majority (87.80%) of board of director interlocks in F500 companies occurs between firms that do not share any 2-digit SIC codes.⁸ Moreover, 66% of policy group interlocks are between firms from different industries. To test whether firms are more likely to act similarly with others in the same industry, we excluded interlocks between firms in similar industries and re-ran the analyses. In results not shown but available upon request, this does not alter the conclusions.

However, firms may still be more likely to cluster by industry within policy group affiliations. Although moderate-liberal policy affiliations have very different effects than conservative affiliations, it is possible that membership in these groups is fractioned by industry groupings and not class-wide. In such an event, these effects may be more indicative of industry coalitions than class-wide influence. To test this, we conducted a series of paired t-tests by each 2-digit SIC code to determine whether there are statistically significant differences in whether firms operating in each industry are more likely to interlock with liberal policy groups or with conservative groups (after controlling for the sizes of the boards). Of the 72 total sub-industries represented, only 4 are significantly more likely to be represented in one or another set of policy groups. In additional analyses not shown, we re-ran the dyadic models excluding firms in these 4 industries and results do not change. This suggests that the majority of sub-industries (68 of 72)

⁸ Given restrictions on serving on boards of competing firms, this may not be surprising.

are not fractioned by type of policy groups they interlock with, and that the few that are do not bias the results.

TABLE 7: Logistic QAP Regression Predictors of Both Firms Conceding and Retaliating		
	(3) - Concession	(4) - Retaliation
Business Unity Factors		
Shared director interlocks	0.619	1.355*
	1.857	3.877
Moderate-liberal group co-membership	1.064***	-4.112
	2.897	0.016
Moderate-conservative group co-membership	-0.095*	1.745**
	0.910	5.729
Ultra-conservative group co-membership	-5.057	1.318**
	0.006	3.737
Business Disunity Factors		
Political conservatism	-0.014	0.042
	0.0986	1.043
Firm reputation similarity	-0.326	0.707
	0.722	2.027
Public relations response similarity	1.503**	1.423*
	4.497	4.149
Corporate social responsibility similarity	0.018	-0.032
	1.018	0.969
Industry similarity	0.060	-0.825
	1.062	0.438
Social Movement Controls		
Form	-0.168	-1.266**
	0.846	0.282
Actor	-0.534	-0.173
	0.587	0.841
Claim	1.172**	0.923***
	3.228	2.516
Politician support	0.869	1.246*
	2.384	3.457
Police	1.593*	2.711*
	4.917	15.041
Coverage	0.215	-6.025
	1.240	0.002
R ²	0.088	0.133
N (dyads)	1,891	1,891
a) The first number is the regression coefficient and the second is the odds ratio with QAP probabilities		
b) * Indicates p < .05, ** indicates p < .01, and *** indicates p < .001 for 1-tailed relationship		

Business Disunity

Results confirm a number of expectations of the disunity approach as well. As anticipated, Table 6 shows that firms more socially responsible than others in the industry are more likely to concede ($\beta = 1.984$, $p < .01$) and less likely to retaliate ($\beta = 0.071$, $p < .01$). Recall that we use an additive CSR index measuring whether firms score higher than the industry average in 5 domains (community relations, diversity, employee relations, the environment, and products produced). A firm that is rated more responsive in 4 of the 5 categories is approximately 1.9 times more likely to concede and 93% less likely to retaliate than a firm rated more responsive in only 2 of the 5 categories.

Next, firms that engage the media with a public relations response in the aftermath of a protest are more likely to concede ($\beta = 4.474$, $p < .01$), but a public relations response has no significant effect on the likelihood of retaliation. Finally, although our selection equation (Appendix E) suggests that admired and conservative firms are more likely to be protested, these variables do not have a statistically significant effect on subsequent outcomes of the protests.

At the dyadic level, only similarity of media responses leads to more similar protest outcomes (Table 7). Dyads where both firms engage the media are over 4 times more likely to jointly concede ($\beta = 4.497$, $p < .01$) and retaliate ($\beta = 4.149$, $p < .05$) than other pairs of firms. While CSR profiles have strong effects at the firm level, they do not effect similarity of outcomes. Finally, industry similarity is not significant. This is in contrast to prior research that finds significant industry effects on corporate electoral involvement (Neustadl and Clawson 1988).

Assessing the usefulness of a network approach necessitates a comparison to traditional organizational models. Our models indicate that corporate networks are not trivial and play a discernible role in predicting firm actions. Compared to models only containing social movement and firm-centric variables,⁹ the full models increase the pseudo R^2 by 13.1% for concessions (from 0.464 to 0.525) and by 57.7% for retaliations (0.376 to 0.593). We also find that substantive results from organizational models are largely analogous to those from the full network models.¹⁰ This tells us these two approaches tend to operate simultaneously. That is, rather than network affiliations drastically altering characteristics of the firm that shape protest outcomes, these tend to work alongside each other to shape firm responses.

DISCUSSION AND CONCLUSION

This study was motivated by two questions: Do corporate networks shape firm strategies to protests? Do they help foster business unity? Results from firm-level and dyadic models demonstrate that they do in each case. Further, these networks shape firm responses in ideologically meaningful ways. Embeddedness in the board of director network makes firms more intransigent to the claims of protestors. Leadership in conservative policy groups has the same effect, while interlocks with relatively liberal groups have the reverse effect. These findings suggest that the ways large corporations perceive their interests are socially constructed through class-wide networks. Corporate affiliations such as the four examined are important because they provide evidence that it is not just structural equivalence that brings about more similar behavior. The significance of the network variables supports the argument that the social relationships between firms impact their behavior, even net of organization-level predictors.

Business unity research directs us to consider where the locus of control in the firm lies and how firms understand the threats they are confronted with. A business unity perspective acknowledges that firms retain substantial control internally. This is supported in our analyses by

⁹ Not shown, but available from the authors.

¹⁰ The only exception is that firms with more conservative PAC profiles are significantly less likely to concede in organizational models. The fact that this variable loses significance in the network models suggests it is the social aspect of conservatism or liberalism that shapes protest outcomes (seen in the effect of policy group memberships).

the significance of corporate social responsibility profiles as well as firms' media responses. However, unity theorists further contend that this depends on the matter of consideration to firms. While relatively routine aspects of firms may be managed internally, large corporations in the U.S. are more unified when it comes to matters of more fundamental concern and political importance. Although unity theory has not yet been applied to protest activity, this is an ideal case: the capitalist norm holds the financial and political behavior of firms is an efficient and almost "natural" state of affairs. Yet, protests are by their very design a reminder that this is contested. The results presented here show that when it comes to responding to such pressure, social relations that extend across the capitalist class shape firm control.

The results also speak to the social construction of a firm's perception of the threat. We find that while embeddedness in class-wide networks tends to increase hostility to movement claims, this is moderated by the ideology of the group. Corporations interlocked with liberal groups perceive their interests very differently than those interlocked with conservative groups. Further, this is not a proxy for the political orientation of a firm. A wide body of research has established that embeddedness in the board of director network does indeed shape its PAC behavior (e.g. Clawson and Neustadt 1989; Mizruchi 1992). Yet, in controlling for this and other explanations—such as whether the industries a firm operates in structure its affiliations with policy groups—we show that these networks actively shape how firms perceive protest threat. Our findings therefore support the perspective that the control and interests of capitalists are a socially constructed phenomenon (Zeitlin 1980).

The networks assessed here connect a broad swathe of large corporations in 2010: 92% of all firms in the Fortune 500 had at least one direct tie to another Fortune 500 firm through an overlapping directorate. Almost half (45%) had leadership positions on at least one of the 12 policy boards. Further, policy and board of director affiliations had a substantial overlap (we estimate 48% of the 753 policy board positions were occupied by then-current members of Fortune 500 companies). As such, these appear to be cohesive networks and their influence extends to a significant proportion of large corporations

Dyadic and Global Network Properties

How do networks influence corporate responses? Dyadic ties and network centrality speak to two different ways in which social affiliations structure action. While ties in a dyad measure direct contact between the two actors, network centrality refers to an actor's embeddedness in the global network. Although direct affiliations underwrite both mechanisms—an actor is only more central in the network if the actors they are tied to are themselves also tied directly to other actors—dyadic ties emphasize direct contact while centrality stresses the broader, more global properties of a network. Interlocking boards of directors may best be characterized as having a global influence. The infrequency of reconstituted ties when an interlocking director retires or dies supports the notion that director appointments are not made just to forge relations with a specific firm, but to also gain a broader understanding of the environment (Palmer 1983). Useem (1984) describes this as providing companies with a "business scan." As one executive explains: "[Serving on multiple boards] extends the range of your network, and acquaintances, and your experience... It just broadens your experience, the memory bank that you have to test things against" (Ibid: 47-48). Although individual director ties are less stable, the overall network remains quite stable, uniting a majority of the corporate

elite even through periods of drastic governance changes, such as the mergers and acquisitions wave of the 1980s (Davis, Yoo, and Baker 2003).

In contrast, the network formed through shared policy memberships is more meaningfully characterized as a dyadic phenomenon. Broken policy ties are not only far more likely to be reconstituted with the same organization, but there is also less stability in the global network (Burris 2008). In interviews with policy group staff and members, Useem (1984) highlights the importance of frequent and direct contact: “The continuous round of association meetings and conferences should provide members with ample opportunity to judge their mutual capacities at very close range. And in fact, this is precisely what does transpire, according to the staff members of several of the organizations and active corporate participants who were interviewed” (72). Burris (2008) concludes that board of director and policy group affiliations structure two different effects: “Theories that...hypothesize a distinctive relationship of control, cooptation, or coordination linking *specific dyads* of organizations, are more consistent with the pattern of policy-planning interlocks. On the other hand, theories that interpret interlocks as...manifestation of universal properties [may be more consistent with director networks]” (20).

Our findings support effects at both levels. While director interlocks are partially significant in the dyadic analyses, they are consistently so in firm-level analyses. Policy group effects, however, are equally consistent at the firm and dyadic level. Results therefore suggest director interlocks shape responses to protest following a global logic. The more embedded firms are in the network as a whole, the more they are able to get a broader sense of the environment and the business view. Yet their effect on unifying the corporate elite may be limited. In contrast, policy interlocks are useful not only in explaining what firms do when faced with protests, but how they come to have similar responses. Although suggestive, these findings are consistent with the broader body of research. This is noteworthy as ours is the first study to quantify these networks in social movement research.

Implications for Movement Leverage

These findings also have implications for the leverage that protests can exert on corporate targets. Results suggest firms more embedded in corporate networks are more ideologically opposed to the influence of activists and social movement groups. Consequently, protest actors may be able to more effectively apply leverage with a better understanding of this. A more successful strategy may be to target relatively isolated firms. Yet we find protested firms are 64.25% more central in the director network than those that are not. Our selection model (Appendix E) shows that only when it comes to moderate-liberal policy memberships are firms more likely to be targeted in the direction associated with greater concessions. While numerous factors shape the targeting of corporations, activists may nevertheless improve the likelihood of success to the degree that they can focus on less embedded corporations. At minimum, movement participants can have more informed expectations of the likelihood of success or repercussions. Second, activists may need to increase efforts to counter not just corporate dominance or malfeasance but their efforts at organizing. This increases the need for movements to reach across narrow interests and coalitions to identify common ground. Finally, as corporate economic and political behavior becomes increasingly globalized, global networks are likely to have greater implications for transnational movements.

Limitations

Of course, there are several limitations to this study. First, the data apply to one year. Future research can confirm if patterns hold true for other periods and enable more rigorous tests of the hypotheses. Further, while the contemporary position of large corporations is politically conservative and opposed to the claims of insurgents, this is itself a historically contingent position. Large corporations have been relatively liberal in prior periods, and may have been leaders in fostering a more liberal consensus for business (Weinstein 1968). If these networks aid in the diffusion of a broad capitalist position, we should see this reflected accordingly; for instance, with greater centrality in the board of director network associated with more concessions instead. Second, this study does not investigate other features of corporations, such as internal alliances and support (encapsulated under the “firm as polity” approach). Third, further research is needed in order to more fully understand the ultimate mechanisms of influence. While prior in-depth studies show how information can flow through corporate networks (e.g. Useem 1984), it remains to be seen how network affiliations translate into corporate strategies. In other words, do directors share experiences with past protests? Do policy groups provide recommendations for responses? Fourth, the focus of this study is limited to direct ties to boards of directors and policy groups. Yet, indirect ties may also be an important influence on corporate behavior in response to protest, providing another avenue for future research.

Finally, it is possible the effect of shared affiliations may still be a spurious result of homophily. Yet, research on board interlocks confirms that social forces beyond homophily are indeed at work. Prior studies on the unity of corporate political campaign contributions and individual capitalists show that network effects remain strong, even net of other factors that may otherwise lead to convergence (i.e., geographic or industry equivalence, shared personal backgrounds) (Mizruchi 1992; Burris 2005; Dreiling and Darves 2011). Research on broken ties is instructive here. If director interlocks were formed because connected firms were otherwise equivalent in some way, we would expect ties broken through death or retirement of a member to be reconstituted with the same firm or a similar one. Yet such reconstitutions are extremely rare and do not follow the logic of replacing an interlock with another firm in a similar position, such as in a common industry or geographic area (Palmer 1983). Policy interlocks are also not just a matter of ideological homophily. Rather, a number of factors likely shape shared directorships, including funding and alliance considerations (Burris 2008). Extant research therefore lends support to the idea that the logic underlying these affiliations is not purely one of homophily. To further limit the possibility, we control for a number of organizational and protest factors that may foster similarity. This strengthens the contention that corporate networks actively shape firm behavior.

Overall, we find that class-wide networks shape outcomes of anti-corporate protests and foster unity amongst large corporations. Further, they do so in ways that reflect the ideologies of the organizations in which the firms are networked. To the authors’ best knowledge, this is the first study to quantify the role of corporate networks in firm strategies against protests. While class and network processes are central to both organizational and social movement perspectives, prior studies of protests have not included such variables. Currently, policy actors have a partial understanding of the political actions of firms, and activists operate without full knowledge of the degree to which the social relations of firms impede or aid their efforts. This research

advances social movement theory by contributing to an understanding of the circumstances under which movements are successful; organizational theory by elaborating on the constraints and opportunities of corporate actors; and finally, class analysis by demonstrating how the interests of large corporations faced with protests are shaped in socially constructed ways, fostering greater unity.

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APPENDIX A. CATEGORIES FOR KEY PROTEST VARIABLES

Protest forms

- | | | |
|-------------------------|-------------------------------------|---------------------------------|
| 1. Boycott | 7. Vigil | 12. Dramaturgical demonstration |
| 2. March | 8. Educational/ leafleting/ tabling | 13. Delivering signatures |
| 3. Demonstration/ rally | 9. Use of violence to people or | /petition |
| 4. Picket | property (specify) | 14. Social media |
| 5. Strike | 10. Riot/mob violence | 15. Occupation (specify) |
| 6. Civil disobedience | 11. Ceremony | 16. Other (specify) |

Protest actors

- | | | |
|------------------------------------|--------------------------------|--|
| 1. Occupational | 3d. Central American | 7. Sexual orientation |
| 1a. Workers (specify) | 3e. Asian (excluding SE Asia) | 7a. LGBTQ |
| 1b. Supervisors | 3f. South East Asian | 7b. Straight |
| 1c. Union members | 3g. Jewish | |
| 1d. Undifferentiated employees | 3h. Middle Eastern/Arab | 8. Citizenship (specify) |
| 1e. Temporary workers | 3i. Native American | |
| 1f. Part-time workers | 3j. White (undifferentiated) | 9. Activists (generic/undifferentiated) |
| 1g. Laid-off workers | 3k. European (specify) | 9a. Miscellaneous political activists |
| 1h. Farm workers | 4. Religious group | 9b. Labor activists |
| 1i. Service staff | 4a. Christian general | 9c. Environmental activists |
| 1j. Custodial staff | 4b. Evangelical Christian | 9d. Consumer watchdog group |
| 1k. Factory workers | 4c. Baptist | 9e. Animal rights activists |
| 1l. Employees of company in sample | 4d. Fundamentalist Christian | 9f. Anti war, peace activists |
| 1m. Employees of supplier | 4e. Other Protestant Christian | 9g. Anti-nuclear activists |
| 1n. Employees of contractor | 4f. Catholic | 9h. Veterans |
| 1o. Employees of other business | 4g. Jewish | 9i. Residents |
| 1p. Other (unclear) | 4h. Muslim | 9j. Homeless |
| | 4i. Hindu | 9k. Poor people |
| | 4j. Other | 9l. Mothers' group |
| | 4k. Jewish | 9m. Disability group |
| 2. Consumers (general) | | 9n. Free information activists |
| 2a. Consumers (specify) | 5. Age/cohort | 9o. Marijuana, medical marijuana activists |
| | 5a. Students | 9p. Other (specify) |
| | 5b. Senior Citizens | |
| 3. Race/ethnicity | | |
| 3a. Undifferentiated | 6. Gender | |
| 3b. African American/Black | 6a. Specify | |
| 3c. Caribbean | | |

Protest claims

- | | | |
|---|-------------------------------------|-------------------------------------|
| 1. Employment related (general) | 1q. Bias against criminal record | 5c. Child labor |
| 1a. Loss of jobs | 2. Internal policy | 5d. Union suppression efforts |
| 1b. Denial of benefits (general) | 2a. Pattern of negligence (specify) | 5e. Treatment of undocumented labor |
| 1c. Health benefits reduced or denied | 2b. Corruption (general) | 5f. Other (specify) |
| 1d. Pension/retirement benefits reduced or denied | 2c. Excessive executive pay/bonuses | 5g. Low wages |
| | | 6. Consumer/product |
| | | 6a. Faulty product |
| | 3. Restructuring/major overhaul | 6b. Increase in cost/reduction in |
-

- | | | |
|---|------------------------------------|-----------------------------------|
| 1e. Unpaid/underpaid | 3a. Merger | service |
| 1f. Lacks non-discrimination policy (specify) | 3b. Selling off plant/subsidiary | 6c. Personal health risks/effects |
| 1g. Wrongful termination | 3c. Acquisition by another entity | |
| 1h. Time off, sick days policy | 3d. Acquiring another entity | 7. Treatment of animals |
| 1i. Lacks support for union/unionization | 3e. Outsourcing | |
| 1j. Bias against women | 3f. Downsizing | 8. Environment |
| 1k. Bias against race/ethnicity (specify) | 4. Location | 8a. Environmental risks/effects |
| 1l. Bias against age (specify) | 4a. Moving plant/store away | 8b. Air pollution |
| 1m. Bias against poor | 4b. Opposition to presence in area | 8c. Fossil fuel production |
| 1n. Bias against homeless | 4c. Not local firm | 8d. Climate change contributor |
| 1o. Bias against LGBT | 5. Treatment of other workers | 8e. Oil spill |
| 1p. Bias against citizenship (specify) | 5a. Workplace injury | 8f. Loss of biodiversity |
| | 5b. Sweat shop labor | 8g. River pollution |
| | | 8h. Hydraulic fracking |
-

APPENDIX B. LIST OF NEWSPAPERS USED AS PROTEST SOURCES

- National newspapers

<i>New York Times</i> (New York)	Washington Post (D.C.)
<i>Wall Street Journal</i> (New York)	

- State and regional newspapers

<i>Atlanta Journal-Constitution</i> (Georgia)	<i>Philadelphia Inquirer</i> (Pennsylvania)
<i>Baltimore Sun</i> (Maryland)	<i>Saint Louis Post-Dispatch</i> (Missouri)
<i>Buffalo News</i> (New York)	<i>Saint Paul Pioneer Press</i> (Minnesota)
<i>Capital Times</i> (Wisconsin)	<i>Salt Lake Tribune</i> (Utah)
<i>Denver Post</i> (Colorado)	<i>Star Tribune</i> (Minnesota)
<i>Dayton Daily News</i> (Ohio)	<i>Richmond Times Dispatch</i> (Virginia)
<i>Hartford Courant</i> (Connecticut)	<i>Tampa Bay/St. Petersburg Times</i> (Florida)
<i>Los Angeles Times</i> (California, regional)	<i>Tulsa World</i> (Oklahoma)

APPENDIX C. DESCRIPTIVE STATISTICS					
	N	Mean	Min.	Max.	Std. Dev.
<i>Dependent Variables</i>					
Concession	117	0.280	0	1	0.451
Retaliation	117	0.127	0	1	0.334
<i>Business Unity Variables</i>					
Board of director centrality	117	2096.511	14.847	7872.342	1885.398
Moderate-liberal policy groups	117	0.313	0	7	0.834
Moderate-conservative policy groups	117	0.890	0	5	1.204
Ultra-conservative policy groups	117	0.271	0	3	0.549
<i>Business Disunity Variables</i>					
Reputation: Admired firm	117	5.791	0	8.220	2.232
Political conservatism	117	43.020	0	89	23.192
Corporate social responsibility	117	2.212	0	5	1.376
Public relations	117	0.458	0	1	0.500
<i>Social Movement Controls</i>					
Form: Boycott =1	117	0.110	0	1	0.314
Form: Strike=1	117	0.076	0	1	0.267
Actors: Labor=1	117	0.483	0	1	0.502
Claim: Environment	117	0.110	0	1	0.314
Claim: Internal policy	117	0.178	0	1	0.384
Police	117	0.297	0	4	0.880
Politician support	117	0.102	0	1	0.303
Coverage	117	2	1	22	2.975

APPENDIX D. CORRELATION MATRIX

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Concession	1.00																		
Retaliation	0.05	1.00																	
Boycott	-0.03	-0.05	1.00																
Strike	0.11	0.27	-0.10	1.00															
Labor	-0.02	0.24	-0.29	0.30	1.00														
Environment	0.11	0.04	-0.03	-0.10	-0.33	1.00													
Internal Policy	-0.24	-0.05	-0.17	0.03	0.08	-0.16	1.00												
Police	0.16	0.10	-0.12	-0.06	-0.20	0.05	-0.08	1.00											
Gov. support	0.30	0.29	-0.12	0.22	0.35	-0.11	-0.16	-0.02	1.00										
Coverage	0.39	0.19	0.12	0.06	-0.01	-0.08	-0.05	0.02	0.18	1.00									
Admired	-0.12	-0.15	-0.12	-0.10	-0.16	0.17	-0.06	0.06	-0.13	-0.08	1.00								
PAC conservatism	-0.10	0.12	-0.16	0.00	0.07	0.11	-0.31	0.18	0.14	-0.00	0.25	1.00							
CSR	0.18	-0.29	0.06	-0.12	-0.32	-0.03	0.23	-0.13	-0.05	0.12	0.00	-0.27	1.00						
Media relations	0.36	0.16	0.06	0.06	0.07	-0.02	-0.02	0.16	0.14	0.31	-0.23	-0.23	-0.02	1.00					
Director centrality	-0.09	0.05	-0.21	0.02	0.08	0.21	0.02	0.06	0.07	0.00	0.25	0.21	-0.01	-0.24	1.00				
Mod-liberal	0.02	-0.11	0.00	0.12	-0.08	0.01	0.06	-0.08	-0.06	0.06	0.13	-0.02	0.22	-0.12	0.14	1.00			
Mod-cons	-0.19	0.10	-0.11	0.05	-0.06	0.08	-0.13	0.13	-0.14	-0.07	0.26	0.44	-0.10	-0.28	0.25	0.08	1.00		
Ultra-cons	-0.31	0.14	-0.03	-0.09	-0.05	-0.01	0.09	0.13	-0.01	-0.09	0.08	0.35	-0.02	-0.14	0.23	-0.02	0.50	1.00	

APPENDIX E: LOGISTIC REGRESSION PREDICTORS ON A FIRM BEING PROTESTED

Business Disunity Factors

Reputation: Admired firm	0.194***
	1.214
Corporate social responsibility	0.039
	1.041
PAC Republicans	0.014**
	1.015

Business Unity Factors

Board of director centrality	0.000
	1.000
Moderate-liberal policy groups	0.552*
	1.736
Moderate-conservative policy groups	-00.18
	0.982
Ultra-conservative policy groups	-0.018
	0.982
Pseudo R ²	0.101
Initial Log Likelihood	-182.834
Final Log Likelihood	-164.405
Mean VIF	1.13
Highest VIF	1.31
N	454

a) The first number is the regression coefficient and the second is the odds ratio

b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed relationship
