CEO IDEOLOGY AS AN ELEMENT OF THE CORPORATE OPPORTUNITY STRUCTURE FOR SOCIAL ACTIVISTS

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In an effort to comprehend activism toward corporations, scholars have proposed the concept of corporate opportunity structure, or the attributes of individual firms that make them more (or less) attractive as activist targets. We theorize that the personal values of the firm’s elite decision makers constitute a key element of this corporate opportunity structure. We specifically consider the political ideology—conservatism versus liberalism—of the company’s CEO as a signal for employees who are considering the merits of engaging in activism. To test of our theory, we examine the formation of lesbian, gay, bisexual, and transgender employee groups in major companies in the period 1985–2004, when the formation of such groups was generally perceived to be risky for participants. Using CEOs’ records of political donations to measure their personal ideologies, we find strong evidence that the political liberalism of CEOs influences the likelihood of activism. We also find that CEOs’ ideologies influence activism more strongly when CEOs are more powerful, when they oversee more conservative (i.e., less liberal) workplaces, and when the social movement is in the early phase of development. We identify theoretical and practical implications, as well as future research opportunities.

Organizational scholars have become increasingly interested in the process of social change through activist pressure on corporations (Davis, McAdam, Scott, & Zald, 2005; Zald, 2008). With aims of bringing about reforms in the broader society, activists attempt to influence corporate decision making on issues such as environmental pollution, employee diversity practices, and supplier working conditions (Bartley, 2007; Briscoe & Saf

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exert themselves to alter the behaviors and policies of corporations. However, as Frooman (1999) noted, research under the rubric of stakeholder theory has overwhelmingly taken the firm’s point of view, with insufficient focus on the motives and tactics of the stakeholders themselves. Attention to activist stakeholders, such as is applied in this study, helps in the rebalancing that Frooman proposed.

Activism is inevitably costly and risky—in terms of time, money, and the possibility of backlash or reprisal—and therefore activist stakeholders must weigh the likelihood (and eventual toll) of being successful. As such, in efforts to understand activism toward corporations, researchers have adopted a central concept from social movement theory: the idea of “opportunity structure,” or the premise that contextual conditions greatly shape the likelihood of activism being successful, and, hence, of activism arising in the first place (King & Pearce, 2010; Schneiberg & Lounsbury, 2008). That is, activism is predicted to occur when contextual conditions appear more favorable (Tilly, 1978). Although originally developed to explain outbreaks of activism in society overall, the concept of opportunity structure also has helped theorists understand activism within organizational fields (Campbell, 2005).

In particular, scholars recently have proposed that the corporate opportunity structure encompasses features of individual firms that make them more (or less) attractive to activists (King, 2008a; Soule, 2009). As stakeholders consider mobilizing to press their demands against a given company, they must calculate whether the effort and risk is likely to pay off, or, instead, whether they will be effectively resisted or punished. Where and when the odds appear favorable, companies are more likely to be targeted. The challenge for scholars is to identify those corporate features that serve as signals to activists regarding the presence (or absence) of opportunity, and that hence influence activists’ behaviors toward individual firms.

The small amount of prior research on corporate opportunity structures has focused primarily on external factors, such as a company’s industry or country context, or governmental actions against the firm, that can affect the chances of activism (Baron, 2001; Schurman, 2004; Soule, 2009: 46–49; Zhang & Luo, 2013). As we shall discuss, far less attention has been devoted to the attributes of the focal firm itself, even though activists will surely consider those features of a firm that they think will affect their ability to navigate change successfully (Agel et al., 1999; Frooman, 1999; King, 2008b; Mitchell, Agel, & Wood, 1997). Given that most activist agendas are intensely values laden (Soule, 2009), we introduce the idea that the personal values of a firm’s elite decision makers constitute a key element of the opportunity structure for activists. For issues of importance, activists know that the CEO will play a central role in the firm’s decisions about how to respond to their demands; hence, activists will attempt to anticipate the CEO’s likely stance. To do so, they will scrutinize the CEO’s profile for clues about his or her personal beliefs.

We specifically consider the political ideology, or the conservatism versus liberalism, of the company’s CEO to be highly relevant for activist decisions. Recognizing that one’s place on the conservatism versus liberalism dimension is a central reflection of one’s personal values (Jost, 2006; Schwartz, 1996) and that CEOs vary substantially concerning this dimension (Burris, 2001; Chin, Hambrick, & Trevino, 2013; Francia, Green, Herron, Powell, & Wilcox, 2005; Tetlock, 2000), we envision that activists will be alert to the ideological inclinations of a firm’s CEO, and will use this information as a signal as to whether the company is a ripe target for collective action.

As we shall discuss, activists may look for various manifestations of a CEO’s political ideology. In some cases, CEOs lend vocal support to policies and politicians, thereby revealing their sympathies to attentive activists. Consider the cases of fair trade advocates targeting Starbucks’ Howard Shultz, environmentalists targeting Ford’s William Ford, Jr., and anti-sweatshop activists targeting Berkshire Hathaway’s Warren Buffett—all known as liberal-leaning CEOs. CEOs also reveal their political views in the media as they respond to current issues and are covered by journalists and other writers. Activists who are close to a particular company—say, because they are (or have been) employed there—are especially likely to know the CEO’s political inclinations, simply because they have more exposure to news and information involving the executive.

As an initial test of our theory about the importance of executive values in influencing activist behaviors, we examine the formation of lesbian, gay, bisexual, and transgender (LGBT) employee groups in Fortune 500 companies from 1985 to 2005. These groups were formed to influence cor-
porate changes in support of LGBT rights, yet their formation was generally perceived to be risky for participants as they did not know how their firm’s leaders or coworkers would respond. For example, LGBT employee groups advocated for the extension of health insurance benefits to domestic partners of gay employees, which was considered to be fraught with unknowable financial exposure for firms (especially in the early years of the study period, during the rise of AIDS). Other goals, such as adding LGBT non-discrimination clauses to employment handbooks or changing company policies to include same-sex partners in company social events, also generated controversy. As potential activists in individual companies debated whether to form such groups, they had to consider the likelihood and cost of resistance. Equally important, they weighed the risks of reprisal and career damage from supervisors and coworkers in response to coming out and being vocal about their sexual orientation. According to our theory, LGBT activists within a single firm assessed the climate for success—in part—by considering the ideology of the company’s CEO. This is not the only activist arena that could be used to test our general theory, but it is a highly suitable one.

We measure CEOs’ ideologies by coding their long-term patterns of personal political donations, data available via the Federal Election Commission (FEC). Using a sample of Fortune 500 firms, we find strong evidence that the political ideologies of CEOs influence the likelihood of activism. We also find that CEO power strengthens the association between CEO liberalism and activism. We further find that CEO ideologies influence activism more when the overall workplace climate is conservative, with greater attendant risks of social reprisal and harassment, than when the overall organization is liberal leaning. Finally, we show that CEO ideology has more bearing on activism in the early phase of a social movement than in the later phase.

Our paper contributes to theory and research on contentious change processes in organizational settings. Although recent scholarship has begun to unpack the dynamic interplay between change advocates and corporations (Briscoe & Safford, 2008; Frooman, 1999), it has largely stopped short of considering the corporate decision makers who stand to abet or suppress the activists’ agendas. While we draw inspiration from prior work suggesting possible links between executive attributes and social movements (Baron & Diermeier, 2007; King, 2008b; Weber et al., 2009), ours is the first study to offer systematic theory and evidence on the direct and moderated effects of CEO values on the incidence of social activism. This integrated set of ideas and findings advances thinking about the role of senior leadership as part of the “corporate opportunity structure” that is assessed by activists, contributing to literature on social movements, corporate social responsibility practices, and stakeholder theory.

Moreover, our paper provides an important complement to upper echelons theory, which is centered on the idea that top executives act on the basis of their personal dispositions (Hambrick, 2007; Hambrick & Mason, 1984). Whereas numerous studies have shown that the actions of CEOs reflect their values, personalities, and experiences (summarized in Finkelstein, Hambrick, & Cannella, 2009), our framework opens up the important insight that the organization’s stakeholders can and will anticipate such effects—and will themselves take action according to their readings of executives’ inclinations.

**THEORY AND HYPOTHESES**

**The Corporate Opportunity Structure for Activism**

Scholars increasingly use social movement theory as a lens through which to understand the dynamic relationship between firms and society. Viewed broadly, activist influences on corporations represent a mechanism by which business activities come to more closely reflect changing values and priorities in society (Vogel, 1978). Our focus is to shed light on one specific element of the interaction between activists and firms—namely, the opportunity structure.

The concept of an opportunity structure for activism was first developed to understand the timing and location of the emergence of movements, as well as to explain when those movements would gain traction (Tilly, 1978). The concept emphasizes the constraints and opportunities for mobilization presented by contextual conditions. Original work on opportunity structures focused on how political factors at the nation-state or regional level influenced mobilization around such social issues as expanding civil rights, educational reform, and even revolution (McAdam, 1982, 1996; Tarrow, 1983; Tilly, 1978). For example, Campbell (1988) and Kriesi, Koopmans, Duyvendak, and Giugni...
(1995) used the opportunity structure concept to show how variation in countries’ political systems influenced the degree and manner of activist mobilization on the issue of nuclear energy policy. Activists wishing to pursue a given issue must periodically assess whether the time and place are ripe for action. Indeed, Meyer and Minkoff (2004) argued that activists can be viewed as “more or less rational, entrepreneurial, and perceptive organizers, who are consequently more or less responsive to changes in political opportunity” (p. 1464). Opportunity structures influence activists by shaping their perceptions of whether they can gain the ear of decision makers, and, if they do, whether they will encounter resistance or reprisal. As Gamson and Meyer (1996) put it, movement actors will make their choices—about participation, support, or leadership of a movement—based on their assessment of the chances of achieving reforms versus facing resistance, as well as the risks of encountering repression in response.

But which features of a company provide cues to would-be activists about such responses? Some research has focused on corporate reputation, reasoning that firms with stronger reputations will be especially vulnerable to the threat of negative publicity and therefore less likely to resist or retaliate (Bartley & Child, 2011; King, 2008a; King & McDonnell, 2013). In a conceptual paper on stakeholder activism, King (2008b) suggested that the corporate opportunity structure could include changes in the executive team, recent merger and acquisition activity, or restructuring, each of which opens up new possibilities as to how activism might be received.

We argue that characteristics of the CEO are especially likely to be important features of the opportunity structure for activism. Although others may be involved, CEOs typically figure prominently in any responses to activist demands, and they enjoy considerable discretion over many aspects of the firm’s activities and policies (Hambrick & Finkelstein, 1987). Hence, just like any other stakeholders attempting to assess their chances of navigating change successfully (King, 2008b; Mitchell et al., 1997), activists will factor in the leanings of the company’s top executive (Agle et al., 1999). We are not proposing that CEOs themselves initiate social campaigns in their companies. Instead, our theory envisions CEOs as targets for influence within their firms. Some represent soft and receptive targets, while others represent hard and resistant targets; activists typically will have insights, or at least inklings, as to which are which—and will mount their campaigns, or not, accordingly.

CEO Political Ideology as an Element of the Corporate Opportunity Structure

CEOs are known to vary widely in their political ideologies (e.g., Francia et al., 2005), and this personal attribute is likely to shape their views of activists’ agendas as well as their responses to activism itself. An individual’s political ideology reflects his or her core beliefs about the proper goals for society and how to achieve them (Chin et al., 2013; Jost, 2006; Tedin, 1987). In his extensive review of relevant literature, Jost (2006) concluded that one’s political ideology is a relatively stable and enduring personal attribute, traceable to heritable factors and family upbringing. As such, even though one’s political ideology may evolve somewhat over one’s life course, it is generally a relatively stable personal inclination, especially later in life.

The liberalism–conservatism spectrum, which we adopt here, was singled out by Schwartz (1996) as a central organizing axis for individual beliefs on a range of issues. Liberals place emphasis on civil rights and associated social issues, including diversity, social justice, social change, and protecting the natural environment. In contrast, conservatives place more emphasis on individualism, respect for authority, stability, and the status quo (Jost, Glaser, Kruglanski, & Sulloway, 2003; Tetlock, 2000).

In the opportunity structure framework, a CEO’s political ideology along the liberalism–conservatism dimension represents an important “signal” for activists about his or her likely response to activism directed at the firm (Meyer & Minkoff, 2004). We see two interrelated aspects of this signal. First, liberal values may be seen as more compatible with the premises underlying almost any activist issue concerning social injustice (McAdam, Tarrow, & Tilly, 2001; Tarrow, 1998); conservative values may chafe against the presentation of such ideas. Second, liberal executives may be viewed as conceptualizing their firms in relatively broad terms, seeing them as having important impacts on society overall (Tetlock, 2000). Conservative CEOs, in contrast, are likely to take a narrower view of their firms, centered on the creation of financial value for shareholders—thus increasing the chances that they will dismiss activist initiatives.
out of hand, as they fall outside the scope of the CEO’s responsibilities.

To the extent that activists perceive these accompaniments of CEO values, as we just described, they will also perceive liberal CEOs to be more willing to consider their demands and tolerate their advocacy efforts; in contrast, they will view conservative CEOs more warily. In this sense, we see activists as armchair social scientists, as they attempt to anticipate the likely responses of CEOs and their organizations to possible collective action.

CEO Political Ideology and Employee Activism

Though activism against corporations is sometimes directed by professional social movement organizations, a firm may also find itself the target of change efforts by its own employees. Such employee activism first appeared in large U.S. corporations during the 1970s and 1980s. For instance, a series of regional Black employee “caucuses” formed within Xerox Corporation during the early 1970s to advocate for the interests of Black employees (Friedman & Deinard, 1991). Employee activist groups may reflect the interests of members who share a common identity defined by race, ethnicity, gender, sexual orientation, or disability (Briscoe & Safford, 2010; Piore & Safford, 2006). Or, they may form around a common interest in environmental issues or other social concerns that provide a basis for solidarity and common goals related to changing the company’s policies. Recent research suggests that these employee activist groups sometimes significantly influence organizational policies and practices (Briscoe & Safford, 2008; Kellogg, 2011; Lounsbury, 2001; Meyerson, 2003).

Zald and Berger (1978) flagged the importance of studying social movement actors operating inside organizations, but the subject has since laid relatively dormant until recently (Scully & Segal, 2002). Viewed through the lens of stakeholder theory, employee activists are a relatively weak group for influencing corporations (Mitchell et al., 1997). Employee activists typically represent a small minority of workers, and, in most U.S. companies, such activists can be easily dismissed from their jobs under the employment-at-will doctrine. Short of being fired, activists risk being perceived as troublemakers and stigmatized by supervisors and coworkers in ways that hurt their careers (Taylor & Raeburn, 1995). As such, employee activists are asymmetrically dependent on their employers, suggesting that they will be unlikely to use confrontational strategies involving the withholding of resources (Frooman, 1999). Other types of stakeholders, such as concentrated economic exchange partners or regulators, enjoy a wider set of influence options.

As individuals who wear dual hats as organizational members and activists, internal activists often behave as “tempered radicals” by using their knowledge of the firm and relationships with coworkers to advocate for their interests, but without strongly violating the norms and rules of the organization (Meyerson & Scully, 1995; Scully & Segal, 2002). For example, employee activists may pursue change by lobbying colleagues, requesting agenda time during meetings, organizing lunch seminars, or using company intranet, listserv, and other resources to communicate grievances and push for changes. Internal activists often have insights about the coalitions and influence channels required for effective lobbying, and may have connections to senior managers who can help them (Soule, 2012). In our hypothesis development below, we focus specifically on employee activism, though at times we simply use the term “activism” for the sake of brevity.

We have argued that, when activists consider whether to target a firm, they will consider the CEO’s personal beliefs in assessing the odds of resistance and reprisal. Although this should be true for any type of activist, employee activists, as insiders, are expected to be particularly alert to CEO ideology cues. Employees who are considering activism may already have some knowledge about the CEO’s political views, and are likely to seek out additional information through coworker networks as well as through other information. Employees

1 For example, in many U.S. workplaces, supervisors can retaliate against workers through negative performance evaluations leading to reduced promotion or pay and even dismissal. Except for violations of the Civil Rights Act, employees who experience such reprisal generally have little recourse, given the strength of the employment-at-will rule and the relatively weak employer penalties under other regulations intended to protect workers who speak up (Clawson & Clawson, 1999; Hurd & Uehlein, 1994). Collective bargaining laws provide some protections for organized employees, but fewer than 12% of American workers fell under collective bargaining agreements in 2012.
may also have contact with regional or national activist networks that could be sources of information on executive backgrounds and beliefs; for example, LGBT networks formed in several major corporate-headquarters cities during the early 1990s (Raeburn, 2004a).

For employee activists, signals about the CEO’s ideology might also be evident in the general milieu within the company’s upper ranks. Although the average employee may have little reason to heed these signals, employees who are considering engaging in personally risky activism are highly motivated to pay attention. For example, consider how a liberal (or conservative) CEO may convey his or her belief structures during executive meetings, as the group discusses topics involving politically or socially charged issues, or chews over their entanglements with other corporate stakeholders such as unions, environmental groups, regulatory agencies, and the like. As others in the executive team pick up on the CEO’s signals, they too may orient their own statements and behaviors in ways that are consistent with them.

Indeed, in a series of interviews with LGBT activists, we heard multiple mentions of their attentiveness to CEO values. For example, one typical interviewee responded to a question about the timing of activism in his firm by saying, “We understood that it had been a key person who stood in the way [earlier] . . . The new CEO was just less conservative than the guy before.” Another interviewed activist noted that his company’s CEO was prominently involved in conservative fundraising causes, which influenced perceptions of his likely response to LGBT advocacy. Yet another, explaining early discussions among employees from multiple firms all headquartered in the same city, said, “In the companies where the CEO was known to be more conservative, we strategized about whom to cultivate as allies in the C-suite. Sometimes, CEOs were enigmatic because of gatekeepers, but we were always trying to figure them out because we had to have top executive buy-in.”

Attention to executive values by LGBT activists is similarly reflected in extensive qualitative research (see Creed & Cooper, 2013; Creed & Scully, 2000; Creed, Scully, & Austin, 2002; Raeburn, 2004a, 2004b; Scully, Creed, & Ventresca, 1998). For example, Raeburn (2004a) related the case of a firm in which activism was triggered when employees learned that their CEO “had organized a ‘Republicans for [liberal Democratic U.S. Senator] Feinstein’ event” (page 167). In sum, we argue that many employees contemplating activism will be attentive to their CEO’s ideological leanings, and that CEOs with liberal ideologies will present relatively attractive targets for employee activists, as compared to more conservative CEOs.

Hypothesis 1. The more politically liberal a CEO, the greater the likelihood of employee activism within the company.

Contextual Conditions and Employee Activism

Beyond any general alertness to their CEOs’ ideologies, employee activists will also be attentive to contextual conditions. In particular, contextual factors may serve to amplify the likelihood that CEOs will vigorously react in line with their values, or such factors may amplify the potential payoffs (or costs) to activists from such CEO responses. We consider three such moderators.

The moderating effect of CEO power. As employees form opinions about their CEO’s potential response to activism, they may also consider how much power the CEO wields. CEOs vary in how much power they possess, in ways that affect a wide range of outcomes, including CEO compensation and dismissal (Boeker, 1992; Main, O’Reilly, & Wade, 1993) and strategic decision making (Hayward & Hambrick, 1997). We argue that powerful CEOs will be perceived by activists to be in a position to more readily acquiesce to activism, or, con-

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2 These telephone interviews, involving 21 LGBT group leaders, ranged in duration from 30 to 90 minutes each and involved open-ended questions about factors that affected the decisions and timing of their activism. Initial interview participants were contacted through the two largest national LGBT workplace organizations (Out & Equal and Human Rights Campaign (HRC)), and subsequent participants were identified through additional referrals. We do not report these interviews as systematic evidence, but, instead, draw upon them to illustrate our portrayals of activist mindsets and behaviors, including their alertness to executives’ values.

3 Our theory development and hypotheses focus on liberal activism, which characterizes the vast majority of employee activist causes. In our discussion section, we briefly note the potential majority relationship between CEO ideology and the (rarer) case of conservative activism.

4 Although our ideology construct is worded in terms of “CEO liberalism,” this dimension is a continuum ranging from very low (conservative) to very high (liberal).
versely, to resist it, according to their personal leanings.

Liberal CEOs with more power may be perceived as better positioned to accede to activist demands, without having to negotiate extensively with their boards or other executives. Such CEOs can offer implicit assurances of limited resistance. Conversely, conservative CEOs with greater power may convey the specter of being able to unilaterally resist or punish employee activists, even over the reluctance of human resources managers or other more sympathetic elites. If a CEO lacks power, activists will be less attentive to his or her ideological leanings; indeed, one veteran activist told us that, “where the power of the CEO is diluted,” groups tended to look at other factors in deciding whether to act. Thus:

Hypothesis 2. The greater the CEO’s power, the stronger the association between CEO liberalism and employee activism.

The moderating effect of workplace conservatism. The importance of CEO ideology as an element of the opportunity structure also may depend on the degree to which employees are concerned about social reprisals and workplace harassment in response to their activism. A liberal-leaning CEO, beyond being seen as more receptive to activism, will also be seen by activists as more likely to curb any such workplace reprisals, since he or she is more sympathetic with the aspirations of the activist employees. A more conservative CEO would not only be less receptive to activist initiatives, but also would be seen as less likely to protect activists from acts of intolerance. Hence, in those companies where potential activists have reason to anticipate social reprisal, CEO ideology especially matters in their decision to press their agenda.

Perceptions of reprisal risk will be shaped in part by workplace climate or culture, including the prevailing ideology of the overall employee population. In a conservative workplace that is broadly antagonistic to the goals or identities of employee activists, risks of social reprisal will be seen as relatively great (Creed & Cooper, 2013; Friedman & Craig, 2004; Scully & Segal, 2002). Conversely, in a liberal workplace that is more supportive of the goals and identities of employee activists, reprisal risk may be perceived as minimal. In this vein, for instance, workplace cultures that are anti-union tend to suppress employee collective action (Logan, 1992), and workplaces with unfavorable diversity climates tend to stifle the voices of minority employees (Bowen & Blackmon, 2003).

For LGBT employees, reprisal in response to activism is most likely to come from supervisors and colleagues who might react negatively because their own personal ideologies conflict with acceptance of homosexuality (Ragins & Cornwell, 2001; Scully et al., 1998). Because a CEO has the potential to mitigate such workplace harassment—say, by signaling tolerance and support for the activist group—attentiveness to CEO ideology becomes especially important when such reprisal risks seem great. A conservative organizational climate would engender concerns about such risks, amplifying the importance of CEO ideology as a swing factor in activism decisions. In a more liberal organization, concerns about social reprisals are not as great, and therefore the CEO’s personal ideology, while important, is not as crucial as in a more conservative setting. Thus:

Hypothesis 3. The greater the workplace conservatism, the stronger the association between CEO liberalism and employee activism.

The moderating effect of the social movement’s expansion. It is well accepted that social movements tend to have lifecycles, with attendant changes in uncertainty and taken-for-grantedness over time (McAdam, 1995; Strang & Soule, 1998; Tarrow, 1994). In the early days of a social movement, activists face considerable uncertainty about suitable tactics, and particularly about risks of backlash or reprisals. It is especially during these early days that activists need to be alert to the selective opportunities—or lack thereof—for pressing their case. Accordingly, activists will look vigorously for available cues regarding their chances of success, including consideration of a CEO’s personal ideology.

Once a social movement has advanced, however, uncertainty diminishes for all involved. Each successive instance of activism provides additional assurance and inspiration for subsequent activists at other companies. Eventually, with widespread adoption, the practices being advocated under normative pressure to accept the once-contested practice (DiMaggio & Powell, 1983; Strang & Soule, 1998). For those executives, acceptance ceases to be risky; if anything, non-acceptance becomes risky. As a social movement advances, and activists discover that resistance and
reprisals are minimal, they will have less need to be careful in targeting their firms. These arguments suggest that the importance of CEO liberalism will be greatest at the early stages of a movement, when the wisdom of activism is unproven and the likelihood of retaliation is uncertain. Conversely, if the movement finds purchase over time, such that early instances of activism are found to be successful and without significant backlash, then later activism should be perceived as generally safer. As the movement expands successfully across the corporate landscape, individual CEOs’ ideologies become less important to activists. Thus:

Hypothesis 4. The fewer companies that a movement has yet reached, the stronger the association between CEO liberalism and employee activism.

METHODS

Research Context

The LGBT activist movement in corporate America. To test our ideas, we examined the formation of LGBT employee activist groups in major U.S. corporations during the period 1985–2004. This context represents one of the most prominent examples of robust employee activism in recent decades (Bidwell, Briscoe, Fernandez-Mateo, & Sterling, 2013; Soule, 2012). LGBT workplace rights is also an ideal context for examining how activists respond to perceived CEO liberalism, in that it is an ideologically charged issue on which individual stances are generally (but not entirely) aligned with partisan orientations (Hetherington, 2009; Smith, 2011).

The climate for LGBT workplace activism during our study period was not favorable. Media coverage of the 1980s’ AIDS epidemic fueled public fears about homosexuality. Federal lawmakers reflected a lack of public support for LGBT rights: In 1993, Congress passed “Don’t ask, don’t tell,” banning gays in the military; the 1996 Defense of Marriage Act codified non-recognition of same-sex marriage; and each successive Congress from 1994 to 2005 failed to pass the Employer Non-Discrimination Act, which would have extended equal rights protections to LGBT employees. Prominent religious and political leaders promoted discrimination against LGBT individuals, and high-profile hate crimes thickened the atmosphere of risk and uncertainty for LGBT employees and their allies contemplating workplace activism.

Nonetheless, beginning in the mid-1980s, LGBT advocacy groups began to form and take up the goal of achieving equal benefits and protections. These groups also served a social support function for their members, many of who were unsure about the safety of being “out” in the workplace. Examples of companies where early LGBT groups formed include Apple (1986) and AT&T (1987). Activist group formation rates then accelerated in the 1990s.

As noted earlier, activism toward corporations can take many forms, ranging from picketing to filing shareholder resolutions. The formation of an LGBT employee group can be considered as an instance of activism because it demands that management either recognize or reject the legitimacy of employees’ claims to self-identify in the workplace as LGBT people (Raeburn, 2004b). Group formation is the crucial first step of collective action—a declaration of intentions to formally organize, to combine voices with the aim of influencing company policies and norms. Thus, group formation can be thought of as the genesis of LGBT activism toward a firm; from the standpoint of the firm’s executives, LGBT group formation represents a foundational precursor to unknowable consequences.

Throughout the period of our study, LGBT activists perceived the risks of resistance and reprisal to be significant (Gunther, 2006; Raeburn, 2004b). Company resistance was often based on concerns about possible political fallout and financial costs—such concerns were not unfounded. After showing support for its LGBT employees, in 1994, Apple faced opposition to a planned fabrication plant in Texas from city counselors protesting their stance. In 1995, when Disney announced that it would provide domestic partner benefits, the Southern Baptist Convention threatened a boycott from its 15.6 million members. At the level of individual activists, reprisals came in the forms of discrimination and harassment by supervisors and coworkers, often with a lack of official recourse or support. Indeed, the little research that exists on LGBT workplace discrimination suggests it was widespread during the study period (Tilcsik, 2011).

Our interviews confirmed these concerns about resistance and reprisal. One activist we interviewed said that participating in the LGBT group initially felt like “career suicide.” Other leaders similarly commented, “One of the biggest barriers was other internal gay people who were afraid of
being outed,” and “When I was listed as the head of the [LGBT] organization in the [company internal] magazine, I got threatening letters, bibles put on my desk.” Most groups were initially formed without official company recognition, so, in some cases, activists were unsure how senior managers would respond to learning about their existence. One interviewee recalled preparations for forming a group: “When we had the first ever gay employee meeting, this was top secret, invitation only. The company did not want this, and they had made that very clear.”

In contrast to the tactics that external activists often employ to disrupt organizational routines and gain media coverage, LGBT employee activists have tended to focus on a repertoire of internal persuasion tactics (Gamson, 1968), such as convening meetings, distributing information, and holding conversations with colleagues and supervisors. Accordingly, LGBT activists often tried to frame their goals using a “business case” logic, focusing on advantages for recruiting and retaining workers, cost–benefit calculations, and tailoring their message to fit the corporate culture (Creed et al., 2002). Although human resources managers or other middle managers sometimes could serve as allies, the ultimate targets for influence had to be a firm’s senior-most executives, whose endorsements—or, at least, acquiescence—were required.

*LGBT activists’ perceptions of their CEO’s ideology.* Our interviews with LGBT employee activists indicated that they developed perceptions about CEO ideological beliefs from various sources. In some cases, the CEO’s general degree of liberalism was widely known, as a result of media coverage or biographies. Our interviews indicated that this was the case for Howard Shultz (Starbucks) and Lou Gerstner (IBM) on the liberal side, and Kay Whitmore (Kodak) and Ross Perot (EDS) on the conservative side. Only rarely did CEOs make overt pro- or anti-gay rights statements (although this did happen on occasion, as with Cracker Barrel’s Dan Evins on the conservative side, and Procter & Gamble’s A.G. Lafley on the liberal side); more often, comments on related issues provided activists with inferences about their likely views on LGBT issues. For example, David Glass of Wal-Mart made frequent antagonistic comments about unionization, anti-sweatshop activism, and other typically liberal issues. Conversely, activists often interpreted support for racial and gender diversity as a sign of liberal beliefs that were more likely to extend to tolerance for LGBT activism.

Activists we interviewed said that perceptions of CEO liberalism were most important early in the LGBT workplace movement (an assertion in line with our Hypothesis 4). During the 1980s and early 1990s, when it was seen as extremely risky to come out to coworkers, perceptions of CEO beliefs were viewed as correspondingly more vital. Indeed, in a 1987 *Wall Street Journal* survey of CEOs, 66% reported “reluctance to put a homosexual on a management committee” (Stewart, 1991), suggesting dire career consequences for activists who miscalculated their CEO’s response. In those early years, if activists perceived their current CEO’s beliefs to be at odds with their aims, they often decided to wait in order to see if a successor would be more open.

**Sample and Identification of Activist Group Foundings**

Our outcome of interest was the formation of LGBT groups in U.S. public corporations. In 2005, the HRC provided us with a contact database for all known corporate LGBT groups ever formed, based on HRC’s extensive member network. An LGBT group was deemed to have “formed” when it had an explicit roster of members that was publicly available throughout the corporation, including to management. Some groups were formally recognized by their companies at the time of their founding, but many others were simply “known” to managers and coworkers.

From this database, we identified 115 LGBT groups that were formed in Fortune 500 corporations, which we surveyed by email to ask when each group was formed. The database included several groups that had subsequently disbanded, as well as the great majority that were still in operation at the time of our survey. For the few defunct groups, we sought contact with the former group leaders, using personal referrals from our interviewees, as well as Internet searches to track down as many as possible. In instances of non-response to our survey, we relied on companies’ human resources officers or conducted Internet searches for founding year information. We were able to identify precise founding years for 85 of these (effective response rate, 74%). The distribution of their founding dates, shown in Figure 1, closely resembles the pattern of LGBT group foundings reported by Raeburn (2004b). This sample of group founding data overlaps with Briscoe and Safford’s (2008) study of the consequences of activism on corporate
policies; in the earlier study, activist group formation was one of the independent variables, while, in the present study, group formation is the dependent variable.

Given that LGBT group formation was a relatively rare event (in light of the thousands of firm-years for the Fortune 500 over our study’s 20-year period), we employed a state-based sampling research design. Such designs include all observations in which the rare event state is observed, along with a random sampling of all other non-event observations in the risk set (Manski & McFadden, 1981). This state-based sampling design has been used in previous work on rare events such as corporate diversification (Diestre & Rajagopalan, 2011; Silverman, 1999) and market entry (Cockburn & MacGarvie, 2011). Following previous studies, we used a random number generator to select a total of 1.5% of all non-event firm-years for inclusion in our sample for analysis (Diestre & Rajagopalan, 2011). This led to a final sample of 210 observations (85 event observations and 125 non-event observations), which occurred in firm-years we designate \( t \).

Independent and Moderator Variables

CEO liberalism. We used political donation data to generate a measure of CEO liberalism. According to literature in political science, political donations by individuals reflect their personal ideologies (Ansolabehere, de Figueiredo, & Snyder, 2003; Ensley, 2009; Francia, Green, Herrnson, Powell, & Wilcox, 2003; Francia et al., 2005). We are not arguing that activist employees track their CEO’s donation records (although our interviews indicated some such instances), but, rather, that activists observe a host of other CEO behaviors and markers that correspond with executives’ political donation patterns. This particularly will be the case for CEOs with strong ideological leanings, either liberal or conservative, as they are relatively likely to reveal their beliefs in their daily behaviors (or “wear their politics on their sleeves”) (Hetherington, 2009). At a minimum, recent evidence indicates that executives’ long-term political donation patterns reflect their personal ideological beliefs. As a validation test of their donation-based index of CEOs’ political orientations, Chin et al. (2013) surveyed executives and found that their donation-based scores were strongly associated with their self-rated ideologies. As such, we adopted the structure of Chin et al.’s (2013) measure, which examined the degree to which the CEO exhibited a long-term pattern of supporting the Democratic Party, as opposed to the Republican Party. In the U.S.A., these two parties generally correspond with more liberal versus more conservative stances, respectively (McCarty, Poole, & Rosenthal, 2006; Poole & Rosenthal, 1984).

![FIGURE 1](image_url)

**FIGURE 1**

LGBT Groups Founded (Annually) in Fortune 500 Companies (1985–2005)
To construct the CEO political ideology index, we started with raw donations data provided by the FEC, which were then verified using online resources (for details, please see the Appendix). We coded contribution records of these verified executives for the six to ten years before year $t$, ensuring that the records covered at least three congressional election cycles and one presidential election.

Once we had gathered information on each CEO’s contributions, we used this to calculate four ratio-based indicators of commitment to a political orientation: (1) behavioral commitment (number of donations to Democrat recipients over total donations to both Democratic and Republican recipients), (2) financial commitment (dollars amount of donations to Democrats over total dollar donations to both parties), (3) persistence of commitment (number of years of donations to Democrats over total years of donations to both parties), and (4) scope of commitment (count of distinct Democratic donation recipients over total distinct recipients in both parties). Our CEO liberalism index is the simple average of those four ratios (Cronbach’s $\alpha = .92$), with scores ranging from 0 to 1. Scores close to 0 indicate intensely conservative CEOs; scores around .50 indicate relatively moderate liberal CEOs; and scores close to 1 indicate intensely liberal CEOs. Just as Chin et al. (2013) found, our distribution was normally distributed, with substantial range (from .01 to .99), and the average CEO ideology was conservative leaning (mean = .35).

CEO power. As the moderator for testing Hypothesis 2 regarding the interaction of CEO political ideology and CEO power, we used a formative index consisting of five variables, all measured in year $t$: (1) CEO tenure, (2) CEO duality, (3) CEO founder status, (4) CEO relative ownership, and (5) the proportion of directors appointed after the CEO. These indicators have been used extensively in prior studies of executive power (e.g., Finkelstein, 1992; Haynes & Hillman, 2010; Pollock, Fischer, & Wade, 2002). We measured CEO tenure in years. CEO duality was coded “1” if the CEO was also board chair, CEO founder status was coded “1” if the CEO was a founder of the firm. CEO relative ownership was measured as the ratio of CEO stock ownership to outside directors’ ownership. We calculated the proportion of the firm’s directors who had been appointed after the CEO was appointed. The five components were standardized and averaged, and then combined into a formative index, CEO Power. These data were collected from the ExecuComp database, Moody’s Industrial Manual, and other online sources.

Workplace conservatism. As the moderator for testing Hypothesis 3, we measured Workplace Conservatism to capture organization-level climate. Exploiting the fact that all political donors (of more than $200) are required to identify their employers, we used FEC data to identify all donors who indicated the focal firm as their employer, which typically included hundreds of individuals per firm per election cycle. Using four years of data prior to year $t$, we calculated overall workplace conservatism using the same procedure we employed for CEO liberalism, except we reversed the numerator in our index item formulas—now, donations to Republican recipients—to capture degree of workplace conservatism.

Expansion of the movement. To measure the degree of expansion of the LGBT movement, our Hypothesis 4 moderator, we used the number of corporate LGBT Groups Formed Thus Far (through $t - 1$). This type of variable has been widely used to capture the degree to which a social movement or a certain practice has diffused in a population (Strang & Soule, 1998).

Control Variables

In our effort to stringently isolate the effect of CEO political ideology on LGBT group formation, we included an array of control variables, with particular attention to factors that might co-vary with a CEO’s political orientation (all measured in $t - 1$ unless otherwise indicated).

Location of headquarters. Because regional political opportunities are known to influence social movement phenomena (McAdam, 1982, 1996; Tarrow, 1983), we anticipated that companies in heavily Democratic states might be more susceptible to LGBT group formation. We controlled for the location of companies’ headquarters using the dummy variable HQ Location, coded “1” if the headquarters was located in any of the 15 most Democratically oriented states, as rated by Gallup (Jones, 2009); the results did not change substantially if we used the 10 or 20 most Democratically oriented states.

San Francisco ordinance. The city of San Francisco passed an ordinance in 1997 requiring companies that had contracts with the city to offer domestic partner benefits to employees. Thus, we included a dummy control, San Francisco Ordinance.
nance, for firms headquartered in the greater San Francisco area.

**Technology industry.** We controlled for firms in the technology industry using the dummy Tech Industry. This addressed the possibility that this particular sector tends to be historically more liberal in the political orientation of employees and managers when compared with other corporate sectors.

**Corporate social responsibility.** Activists may perceive greater receptiveness to activism among those firms that have already taken actions consistent with corporate social responsibility (CSR) objectives (King & McDonnell, 2013). Hence, we controlled for a firm’s CSR profile, using a simple index of Kullback–Leibler divergence (KLD)/Risk-Metrics variance model items used in previous research (Chin et al., 2013). This time-varying index, labeled Firm CSR, was calculated for each year \(t-1\). (Since KLD data do not fully cover our time window, we had 32 firms that did not have KLD scores in the very earliest years. For those firms, we used the sample mean score; the results did not change substantially if we excluded these cases.)

**Firm size.** Larger firms may be more likely to experience activism (e.g., Briscoe & Safford, 2008; King, 2008a). They tend to have more varied stakeholders and more employees, increasing the chances that there will be someone inclined toward activism. Large firms may also make more attractive targets, as activists will see their prominence as an opportunity through which to garner more media coverage and public attention. Hence, we controlled for Firm Size, using the logged number of total employees.

**Firm status.** Just as larger firms may make more attractive targets for activism, so too may firms with greater stature in the corporate rankings. Activists may be especially motivated to target a firm if they think it serves as an exemplar for other firms. We controlled for status using the dummy S&P 500 Member, reflecting the common perception that Standard & Poor’s (S&P) 500 companies enjoy higher status as a result of that affiliation (Chen, Hambrick, & Pollock, 2008).

**Firm performance.** To account for the possibility that poorly performing firms were viewed by activists as more susceptible to influence, we controlled for firm financial performance using a formative index with two components: industry-adjusted return on equity (net income divided by total equity in \(t-1\)) and industry-adjusted market-to-book value of common equity in \(t-1\). The index components were standardized and averaged to form the variable **Performance Index**. Financial data were collected from Compustat.

**Period dummies.** Because our sample was not large, and some individual years had very few observations, we did not use calendar year dummies, but, instead, used period dummy variables to control for time-related factors that might potentially influence our results. A dummy was assigned for every three-year period from 1985 to 2005, for a total of six periods.

**Estimation**

Following prior studies using state-based sampling (Diestre & Rajagopalan, 2011; Silverman, 1999), we conducted logistic regressions to predict LGBT group formation. Because state-based sampling techniques provide biased coefficients for the intercepts (but not for the other variables), we adjusted the intercepts in order to display unbiased coefficients for all of the variables in our models (Manski & McFadden, 1981).

**RESULTS**

Table 1 reports means, standard deviations, and correlations among the variables. Actual means are reported in Table 1, but mean-centered scores were used for the moderator analyses.

Table 2 presents the results of logistic regressions testing our hypotheses. Model 1 includes only control variables. Model 2 tests the main effect of CEO liberalism on LGBT employee group formation. The results indicate that CEO liberalism was significantly positively associated with the likelihood of group formation \(p < .05\), providing support for Hypothesis 1.

Model 3 tests Hypothesis 2, which predicted that the effect of CEO liberalism on LGBT employee group formation would be amplified by CEO power. The results show a significant positive effect for the interaction of CEO political liberalism and CEO power \(p < .05\), providing support for Hypothesis 2.

Model 4 tests Hypothesis 3, which predicted that workplace conservatism would positively moderate the relationship between CEO liberalism and the likelihood of LGBT employee group formation. The coefficient for the interaction of CEO liberalism and workplace conservatism is significantly positive \(p < .05\), supporting Hypothesis 3.
### TABLE 1
Correlations and Descriptive Statistics*

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
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<th>4</th>
<th>5</th>
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</tr>
<tr>
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<td>0.18</td>
<td></td>
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</tr>
<tr>
<td>San Francisco Ordinance</td>
<td>0.06</td>
<td>0.23</td>
<td>−0.07</td>
<td>0.26</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
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<td>0.10</td>
<td>−0.09</td>
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<td></td>
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<td>1.33</td>
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<td>−0.06</td>
<td>0.09</td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>0.16</td>
<td>0.09</td>
<td>0.00</td>
<td>−0.02</td>
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<tr>
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<td>0.07</td>
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<tr>
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<td>−0.01</td>
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<td>−0.16</td>
<td>−0.08</td>
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<td>0.05</td>
<td>−0.15</td>
<td>−0.05</td>
<td>0.05</td>
<td>0.11</td>
<td>−0.12</td>
<td>0.14</td>
<td>−0.01</td>
<td>−0.09</td>
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<tr>
<td>LGBT Groups Formed So Far</td>
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<td>−0.08</td>
<td>−0.01</td>
<td>−0.10</td>
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<td>0.13</td>
<td>0.15</td>
<td>−0.01</td>
<td>0.00</td>
<td>−0.06</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>0.02</td>
<td>−0.34</td>
<td>0.06</td>
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</table>

**Note.** n = 210.  
*Correlations greater than or equal to 0.14 are significant at the 0.05 level.

### TABLE 2
Results of State-Based Logistic Regression Analyses Predicting LGBT Group Formation

<table>
<thead>
<tr>
<th>Predictor Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
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<td>Intercept</td>
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<td>−6.16*</td>
<td>−6.64**</td>
<td>−6.43**</td>
<td>−6.34**</td>
<td>−7.10**</td>
</tr>
<tr>
<td>(2.34)</td>
<td>(2.40)</td>
<td>(2.39)</td>
<td>(2.48)</td>
<td>(2.43)</td>
<td>(2.49)</td>
<td></td>
</tr>
<tr>
<td>HQ location</td>
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<td>0.67</td>
<td>0.79*</td>
<td>0.93*</td>
<td>0.92*</td>
</tr>
<tr>
<td>(0.38)</td>
<td>(0.39)</td>
<td>(0.39)</td>
<td>(0.40)</td>
<td>(0.41)</td>
<td>(0.42)</td>
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<td>0.1</td>
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<td>(0.39)</td>
<td>(0.40)</td>
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<tr>
<td>Firm Size</td>
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<td>0.18**</td>
<td>0.18*</td>
<td>0.19**</td>
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<td>(0.07)</td>
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<td>(0.08)</td>
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<tr>
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<td>1.51*</td>
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<td>(0.32)</td>
<td>(0.33)</td>
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<tr>
<td>Workplace Conservatism</td>
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<td>2.26*</td>
<td>2.64**</td>
<td>2.04*</td>
<td>2.61*</td>
<td>2.69*</td>
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<td>(0.83)</td>
<td>(0.97)</td>
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<td>(1.02)</td>
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<tr>
<td>LGBT Groups Formed So Far</td>
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<td>0.06</td>
<td>0.07</td>
<td>0.07</td>
<td>0.06</td>
<td>0.08</td>
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<td>(0.05)</td>
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<tr>
<td>CEO Liberalism</td>
<td>1.77*</td>
<td>2.10**</td>
<td>1.83**</td>
<td>1.84**</td>
<td>2.32**</td>
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<tr>
<td>(0.69)</td>
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<td>(0.70)</td>
<td>(0.67)</td>
<td>(0.75)</td>
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<tr>
<td>CEO Liberalism × CEO Power</td>
<td>2.36*</td>
<td>2.78*</td>
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<td></td>
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<tr>
<td>(1.08)</td>
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<tr>
<td>CEO Liberalism × Workplace Conservatism</td>
<td>5.15*</td>
<td>7.25*</td>
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<tr>
<td>(2.55)</td>
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<tr>
<td>CEO Liberalism × LGBT Groups Formed So Far</td>
<td>−0.05*</td>
<td>−0.05*</td>
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<tr>
<td>(0.03)</td>
<td>(0.03)</td>
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<tr>
<td>Log Likelihood</td>
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<td>−106.98</td>
<td>−104.77</td>
<td>−105.25</td>
<td>−104.33</td>
<td>−99.78</td>
</tr>
</tbody>
</table>

**Note.** n = 210. Period dummies for every 3 years were included but are not shown. Robust standard errors are in parentheses.

* p < 0.05  
** p < 0.01
Hypothesis 4 predicted that the effect of CEO liberalism on employee activism would be greater when the movement had not reached many companies, compared with a lesser effect of CEO liberalism when the movement had expanded. The results shown in Model 5 indicate a significant negative effect for the interaction of CEO political liberalism and our measure of movement expansion \( (p < 0.05) \), supporting Hypothesis 4. Finally, in the fully specified Model 6, all hypotheses continue to be supported at the .05 level or better.

Since it is difficult to interpret logistic regression interactions, and their interpretation may vary across different levels of observations (Hoetker, 2007), for each moderating hypothesis, we plotted the likelihood of LGBT employee group formation for three representative observations: (1) one with all non-interacted variables set to mean values, (2) one with those variables set to one standard deviation above mean, and (3) one with those variables set to one standard deviation below mean. Figures 2–4 provide graphic support for Hypotheses 2–4, respectively. Figure 2 shows a stronger effect of CEO liberalism on LGBT employee group formation when CEO power is greater, compared to when CEO power is less. Figure 3 indicates a stronger relationship between CEO liberalism and LGBT employee group formation for firms with more conservative workplaces, compared to firms with less conservative workplaces (i.e., more liberal workplaces). Finally, Figure 4 indicates a stronger effect of CEO liberalism on LGBT employee group formation in the early phase of the LGBT movement compared to the later phase.

As a robustness check, we replicated our analyses using matched-pair sampling, an alternative technique that has been used to study rare events (Agresti, 2002; Hosmer & Lemeshow, 2000; O’Connor, Priem, Coombs, & Gilley, 2006). We matched each firm in which an LGBT employee group was formed with a matching firm using three criteria: (1) same year, (2) same industry, and (3) same size. This approach (using a comparison group that differed entirely from the randomly drawn comparison group used in our main analyses) yielded results that reaffirm our main findings that firms with more liberal CEOs were more likely to experience LGBT employee group formation.

Because firm CSR was a strong predictor of activism in our models, we also examined whether CSR was either a moderator or mediator of the relationship between CEO political ideology and activism. We did not find evidence of those more nuanced relationships.

Supplementary Examination of CEO Succession

A new CEO’s ideology may be especially relevant for activists, particularly to the degree that it
differs starkly from the ideology of his or her predecessor. We explored this idea in a supplementary analysis.

It is widely recognized that new CEOs are eager to put their distinctive marks on their firms, as reflections of their personal priorities and repertoires (Gabarro, 1987; Hambrick & Fukutomi, 1991). Thus, CEO succession represents a rare “window in time” for activists. The salience of this potential opportunity, however, will be heightened by any contrast between the ideologies of the departing and arriving CEOs. This contrast effect prompts activists to recognize that the time might (or might not) be right for their actions. For instance, the arrival of a new liberal CEO who is replacing a highly conservative CEO will prompt activists

FIGURE 3
The Interaction of CEO Liberalism and Workplace Conservatism on the Predicted Probability of LGBT Employee Group Formation

FIGURE 4
The Interaction of CEO Liberalism and the Phase of the Social Movement on the Predicted Probability of LGBT Employee Group Formation
to conclude that their opportunity for action is now. Conversely, the arrival of a highly conservative CEO following a liberal CEO will provide a vivid cue to activists that they have—for now, at least—missed their chance.

Our interviews surfaced several examples of how a change of CEO was viewed as a trigger point for activism. One activist recalled discussions about waiting until a changing of the guard, after learning through informal channels (from the vice president of human resources) that the then-CEO viewed LGBT rights as a “non-starter issue.” Any subsequent CEO, they reasoned, would provide better odds. In another case, activists were motivated to time their efforts around the promotion of an heir apparent who they estimated would be more supportive. As it turned out, that person did not actually get the CEO job, but the outsider who did turned out to be “worth waiting for.” Thus, we explored the informal hypothesis that, in instances of recent CEO succession, a greater liberal versus conservative difference between the successor and predecessor would increase the likelihood of employee activism within the company. In other words, the more liberal a new CEO relative to the outgoing CEO, the greater the likelihood of activism; and, conversely, the more conservative a new CEO relative to the outgoing CEO, the lesser the likelihood of activism.

To test this idea, we created the following variable: In those instances where succession occurred in the prior or current year ($n = 24$), we computed the simple difference between the new CEO’s liberalism score and the predecessor’s liberalism score. For example, if a new CEO had a liberalism score of .80 (relatively liberal), and the predecessor’s score was .20 (relatively conservative), this variable takes the value .60. The variable was coded “0” for cases where there was not a recent succession. The resulting variable ranged from −.82 (a much more conservative successor) to +.70 (a much more liberal successor).

When this term was added to Model 2 of Table 2, it was significantly positively related to the incidence of LGBT employee group formation. Namely, beyond the general effect of incumbent CEOs’ ideologies on the likelihood of activism, the ideological contrast between a predecessor and a new CEO has an added effect. Activists appear to especially cue in on opportunities arising from leadership transitions.

**DISCUSSION**

Our paper introduces and tests the idea that social activists consider top executives’ values when making their assessments of the likely benefits and costs of mounting a campaign against a company. In our framework, executives’ ideological inclinations are an element of the corporate opportunity structure that activists key in on when deciding on a corporate target (King, 2008a; Soule, 2009). With the “right” executives at a company’s helm, activists may anticipate that they can achieve a relatively easy success—or, at least, not be punished for trying; with the “wrong” executives, they may believe a campaign would be doomed or too costly.

Testing this broad theoretical premise in the domain of LGBT employee activism in large U.S. firms, we found considerable support for our hypotheses. Most notably, our baseline hypothesis was strongly supported: The CEOs of companies with LGBT employee group foundings were significantly more liberal, as gauged by their publicly observable political donation patterns, than were the CEOs of companies in which LGBT employee groups did not form. From our data, we cannot tell whether liberal CEOs tended to provide explicit cues that LGBT initiatives would be welcomed (or, at least, not resisted), or whether the activists merely inferred that these CEOs—known to have liberal leanings—would be tolerant of their agendas. At a minimum, however, our results strongly indicate that CEO liberalism was associated with LGBT employee group formation.

We also found support for a set of contextual factors that may heighten (or dampen) the likelihood that CEOs will react in line with their values, or that may amplify (or suppress) the potential costs and benefits to activists from such CEO responses. In particular, our second hypothesis concerned the contextual factor of CEO power. We argued that LGBT employee groups would be especially responsive to CEO ideologies when those CEOs are more powerful. Operationalizing CEO power using a multi-item index, we found strong support for this idea. In our setting, it appears that activists do indeed perceive that powerful liberal CEOs are better positioned to accede to their demands—and that powerful conservative CEOs are more formidable in their potential to resist and/or punish employee activists.

Consistent with our third hypothesis, we found an augmented role for CEO ideology in more conservative workplaces. Activists in conservative workplaces...
workplaces will tend to perceive more antagonism toward their identities and goals, heightening their concerns about experiencing hostility or reprisal from coworkers if they take the risk of going public with their agenda. Conversely, activists in liberal workplaces will tend to perceive less risk of reprisal, and be correspondingly less sensitive to executive values in their decisions about whether to publicly advocate for their cause. This finding is also broadly consistent with an early formulation of opportunity structure theory, in which the most extremely favorable contexts—represented, in our context, by a liberal CEO and a liberal workplace—actually demotivate would-be activists because they perceive enough support for their cause to believe it will be addressed without the need for costly protest (Eisinger, 1973; Gamson, 1968). Hence, in the most extremely favorably contexts, even if the risk of reprisal is lower, the motivation for activism may also be lowered, reducing the odds of activism.

Following from our fourth hypothesis, we found strong evidence that CEO liberalism was more of a factor in LGBT employee group foundings when the movement was at an earlier stage of expansion, based on the number of prior groups founded. This result is consistent with our argument that activists will be especially alert to cues about the receptiveness versus hostility of corporate leaders in the initial phase of a movement’s development, when risks and uncertainty abound. Later on, after the movement has gathered momentum and widespread acceptance, employee activists can be somewhat more assured that their companies will accede to their organizing efforts, without reprisal, and hence the profiles of company leaders become less important.

Our control variables yielded findings that are worth mentioning because they are consistent with prior scholarship related to the corporate opportunity structure for activism. Specifically, we found that firms based in relatively liberal-leaning geographies and industry sectors were more likely to experience employee activism. In addition, firms with stronger CSR profiles were more likely to be targeted by employee activists, as were higher-status firms. We also found that the workplaces that were most conservative were more likely to experience employee activism; although we did not hypothesize about this finding, it suggests that LGBT employees in the most conservative workplaces may have perceived more urgency in their desire for reform.

Implications

Our paper has important theoretical implications for the study of social movements and other corporate stakeholders, and also for the study of top executives. First, we contribute to research on social movements and activism toward corporations by opening up a new avenue for considering opportunity structures. Although others have noted the potential for top executives to enhance or dampen opportunities for activism toward companies (Baron & Diermeier, 2007; King, 2008b; Weber et al., 2009), we formalize this line of thought and demonstrate its merit with our study of CEO liberalism and the formation of LGBT employee groups in public corporations. Consistent with opportunity structure theory (Meyer & Minkoff, 2004), we argue that CEO ideology provides a signal to activists about the likely response they will encounter from the pursuit of collective action.

Our framework highlights the importance of the human element in the corporate opportunity structure for social activism. Although social movement theory typically emphasizes social and structural forces, scholars also recognize that ultimately it is individuals who must take action. Leaders and members of movements must step forward and take personal risks (McAdam, 1986; Schussman & Soule, 2005), and key actors in targeted entities are in a position to respond in any number of highly consequential ways, ranging from hostile rejection to begrudging acquiescence to enthusiastic endorsement. In the corporate sphere, these responses are not generated by amorphous “organizations,” but, instead, emanate from debates and deliberations by living, breathing decision makers. In many cases, these decision makers will include, perhaps integrally, the company’s CEO.

We also offer several new findings for the study of social movements. We argue and find evidence for the fact that a key feature of the corporate opportunity structure (CEO ideology) declines in importance once the movement has become widespread. To our knowledge, this is the first finding of its kind and suggests the usefulness of understanding activism toward corporations and other organizational fields as a multi-phase process. Elaborating on that process may yield interesting insights into the phases of activism, as well as the phases of related institutional change (Van de Ven & Hargrave, 2004) and policymaking (Soule & King, 2006) processes.
By anchoring our specific mechanisms in stakeholder theory, this research also both draws on and contributes to research on corporate stakeholders (Mitchell et al., 1997). Stakeholder theory draws attention to the bargaining leverage between stakeholders and a firm’s management (Frooman, 1999), and also notes that CEO values should moderate the influence of stakeholders by increasing or decreasing their bargaining power with managers (Agel et al., 1999). Extending this idea upstream in the chain of events, we contend that, when activists are deciding whether to press their case in the first place, they will consider whether they think the CEO’s values will enhance or complicate their influence efforts. This thinking may extend to other types of corporate stakeholders with values-laden goals, such as unions or policymakers, who may also selectively engage firms based on perceptions of the personal values of company leaders.

Our paper also introduces a new vantage for upper echelons theory, by arguing that organizational stakeholders tend to be aware of executives’ personal inclinations, and take actions (or withhold actions) accordingly. Upper echelon theory is centered on the idea that executives inject themselves—their values, personalities, experiences—into their strategic decisions (Chin et al., 2013; Hambrick, 2007; Hambrick & Mason, 1984). Under the customary logic of upper echelons theory, strategic stimuli are portrayed as exogenous and subjected to the executive’s selective perception, interpretation, and choice. Our logic, however, suggests that strategic stimuli can be endogenous: stakeholders become aware of executives’ inclinations, and they serve up information and initiatives accordingly. As such, any observed associations between executive attributes and strategic choices might entail more complex, multi-way causality than is typically considered by upper echelons researchers.

Empirically, our study is one of the first quantitative studies of employee activism. Earlier qualitative studies have described the advocacy and mobilization efforts of corporate employees (e.g., Meyerson & Scully, 1995; Weber et al., 2009; Kelllogg, 2011). On the specific phenomenon of LGBT employee rights, our findings complement recent work by Briscoe and Safford (2008) and Chuang, Church, and Ophir (2011) showing that LGBT activist groups—in concert with state laws, press coverage, and mimetic pressures in industry—played an important role in the wide adoption of domestic partner benefits. Building on those studies, the present study looks upstream, in a sense, to unpack the process of employee mobilization.

From a practical standpoint, our project especially has implications for social activists who are considering whether to target a given corporation. The concise advice: Think about the potential receptiveness of key decision makers, especially the CEO. If the CEO has a sympathetic profile, the cause may be achieved at little cost to the activists. If, on the other hand, the CEO presents a contrary profile, the costs to the activists, coupled with slim chances of success, may be forbidding. Although our study does not include data on CEOs’ actual responses to activism, our findings suggest that activists indeed behave in line with this prescription.

**Future Research**

Our paper suggests several lines of future inquiry. First, it will be important to extend our line of thought to the study of other social movements related to corporate environmental, social, and governance issues and the wider CSR field. In a related vein, it will be especially important to apply the theory to activism by other constituencies, such as customers, shareholders, or professional activist organizations. For example, executive ideologies may help explain recent mixed findings on the influence of shareholder activism (David et al., 2007; Reid & Toffel, 2009). Comparing across different types of activists may also reveal differences in their attention to executive profiles when deciding whether to target a firm. For example, less radical activists may be more inclined to use CEO profiles, since (compared with more radical activists) their goals are to persuade rather than disrupt targets (den Hond & de Bakker, 2007).

One distinction that may be useful for future research is the difference between internal and external activism. Unlike internal activists, external activists may not depend very much on the organizations they seek to influence (e.g., Frooman, 1999), and they rarely need to fear reprisal from those organizations. This distinction is likely to have consequences for targeting. For example, external movements may seek out resistant target companies and/or CEOs who they perceive to be egregious violators with no hope for reform—with the goal of recruiting and mobilizing outraged citizens rather than changing those companies’ practices. Lesser dependence also changes the incentive to bring harm to targeted organizations, either materially or symbolically. In contrast to internal
movements, which rarely seek to harm their organizations, external movements often lack such qualms. This may be why external movements thrive on the ability to threaten the reputations of targeted companies in the media (King & McDonnell, 2013), while internal activists more often focus on broadcasting the positive benefits experienced by firms that change policies in line with demands (Briscoe & Safford, 2008).

Another related question is whether conservative activists would operate differently by targeting conservative CEOs rather than liberal ones. For example, faith-based employee groups might form more often under conservative CEOs. On the other hand, such ideological matching may not develop if activists perceive that conservative executives will always resist pressure for change—no matter the cause. Conservative activists may also follow a different logic, given their apparent bias toward more reactive activities (Zald & Useem, 1987).

It will be essential to further investigate how executives’ inclinations affect their tangible responses to activism. In our study, we examined the presence or absence of LGBT employee group formation, invoking a causal argument that portrayed CEOs as potentially hostile, tolerant, or encouraging—depending on their personal ideologies. Are such executive responses manifested, as we have envisioned? If so, what are the various ways in which they are manifested? Data limitations prevented us from investigating the linkages between CEO ideologies and the policy changes pursued by activists, such as eventual adoption of domestic partner health benefits or anti-discrimination protections (Briscoe & Safford, 2008; Chuang et al., 2011; Raeburn, 2004a; Werner, 2012). Did liberal CEOs enact these changes more readily? Though a distinct gap persists between the two major U.S. political parties in their views on LGBT issues (Smith, 2011), research on this topic might also benefit from further refinement of political ideology; for example, libertarian conservatives may favor LGBT policies, since they are consistent with increased personal freedoms. Progress on these questions may require painstaking qualitative field research, but we critically need insights and evidence regarding actual executive responses to activism, beyond our suppositions about possible reactions.

In light of our emphasis on the personal biases of corporate elites, it will be interesting to extend the focus beyond individual CEOs. How much stronger would our predictive models be if we assessed the inclinations of entire top management teams, rather than just the individual leaders? And what might be the role of boards of directors—and their dispositions and experiences—in constituting the opportunity structures for activists? Indeed, some activists we interviewed indicated that allies in the upper echelons serve as intermediaries, channeling information to potential activists about the likely responses to their initiatives. Further, although the records we collected were insufficient for this purpose, future research could identify corporate elites who have been major personal donors to a specific cause (say, LGBT rights), and those who have been major donors to the counter-cause (say, Defense of Marriage Act, etc.), and then examine differences in LGBT activism/policies in their respective firms.

SUMMARY

We have introduced the idea that, as activists contemplate whether and how to target individual firms, the personal inclinations of business leaders contribute greatly to constituting the “corporate opportunity structure.” Examining the influence of CEO liberalism on LGBT employee group formations in large companies, we find that employee activists behaved in accord with our theory. CEOs’ values especially shaped activist behaviors when leaders were new and more liberal than the predecessor, as well as when the leaders were more powerful, when they presided over more conservative workplaces, and earlier in the movement’s development. Taken together, these findings suggest that activists perceive that opportunities for influence vary significantly with the values of those in the upper echelon. There are many remaining opportunities to advance understanding of the human factor in social movements, including the need for additional insights about the psychology of targeted decision makers and how they strategically interact with the activists who seek to influence them.

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APPENDIX

Methods

To construct our CEO political ideology index, we used data provided by the FEC, which requires information on every donation of more than $200 made by every individual, including the contributor’s name, state, city, street address, zip code, occupation, employer, amount of gift, date of gift, and name of recipient. Since 1989, such data have been accessible from non-partisan research institutes such as the Center for Responsive Politics (http://opensecrets.org or http://transparencydata.com). These institutes modify the format of the data, but they report the exact content provided by the FEC. Records prior to 1989 can be accessed directly from the FEC site.

Using these public sources, we carefully verified the contributions of each CEO—checking middle names, shortened names, address information, and occupation and employer information, all in an effort to exclude individuals whose names were similar to those of our CEOs. We used NNBD, Mergent Online, and Hoover’s Online databases, executive biographies on company web sites, and other online sources to confirm each donor’s clear identity.

We coded contribution records of these verified executives for the six to ten years before an LGBT employee group was formed (year t). Following Chin et al. (2013), we generally used a 10-year window for gauging CEOs’ giving patterns. However, the earliest data available from the FEC started in 1979; and, because the first LGBT employee group formation in our sample was in 1985, we had to use a shorter window for those few companies that had LGBT employee groups (and their matches) before 1989. Nonetheless, even a six-year window was wide enough—encompassing at least three congressional election cycles and one presidential election—to allow meaningful interpretation of an executive’s donation pattern. With our lagged measurement, political ideology temporally preceded LGBT employee group formation, thereby eliminating any recursive relationship between the ideology measure and the dependent variable.

Once we gathered information on the CEOs’ contributions, we calculated four indicators, as per Chin et al. (2013): (1) the number of donations to Democrat recipients divided by the number of donations to recipients of both parties (to handle zero values, we added .1 to all numerators and .2 to all denominators), (2) the dollar amount of donations to Democrats divided by the amount of donations to both parties, (3) the number of years the executive made donations to Democrats divided by the number of years donations were made to either party, and (4) the number of distinct Democratic recipients to which the executive made donations divided by the total number of distinct recipients of both parties. These four indicators, respectively, represent one’s behavioral commitment, financial commitment, persistence of commitment, and scope of commitment to a political orientation.

Since the indicators had similar means and variances, and all ranged from 0 to 1, we calculated our political liberalism index scores as the simple average of the four (Cronbach’s alpha = .92). As a result, the index scores also ranged from 0 to 1. For these calculations, we included contributions to individual candidates, party committees, and any political action committee (PAC) identified as either Democratic or Republican supporters; other PACs (the orientations of which were typically unclear) were excluded from the calculations. The inclusion of donations to parties and PACs increases the likelihood that scores reflect genuine political orientations rather than personal ties.