This paper seeks to understand how contentious practices spread from initial targets of activism to become accepted by organizations in the mainstream. Using a dataset on the diffusion of domestic partner benefits in the Fortune 500 from 1990 to 2005, we show that widespread adoption among mainstream firms was triggered by the prior adoptions of companies known to resist activism. We also find that employee activist groups within firms played a different role depending on the company’s orientation toward activism. Employee groups increased the likelihood of adoption in activism-prone firms, but in mainstream firms, they increased the susceptibility of the firm to prior adoptions by others. These findings support a view of institutionalization as a contested process and suggest an alternative mechanism through which social networks influence that process. Like the effect of Cold-War President Richard Nixon’s surprising visit to the People’s Republic of China in 1972, which led other countries to open relations with China, adoption of a practice by activism-resistant firms signaled to mainstream firms that an advocated practice had lost its contentiousness. Rather than providing pressure toward conformity, adoption events in a firm’s environment can be seen as a cultural resource that supports or undermines the arguments made by proponents of change inside organizations.

Social movement perspectives theorize institutional change as a process, not of passive diffusion but, rather, marked by contested struggles over logics of action and the mobilization of resources toward realizing a favored outcome (McCarthy and Zald, 1977; Davis and Thompson, 1994; Davis and McAdam, 2000; Rao, Morrill, and Zald, 2000; Davis et al., 2005). Yet how movements turn mobilization into institutionalized behaviors in widespread practice remains a key question (Giugni, 1998; Andrews, 2001; Schneiberg and Lounsbury, 2008). Attention has turned to the interaction between activists and the political and social environment of their targets (Ingram and Rao, 2004; Schneiberg and Soule, 2005). One way social movements are thought to influence firms is by winning early victories among prominent targets. This simultaneously establishes the legitimacy of policies and helps reduce uncertainty in the organizational environment surrounding their adoption (McCammon et al., 2001; Zald, Morrill, and Rao, 2005). But there is evidence that many movements gain acceptance of a practice among early targets and then fail to diffuse it to the mainstream (Strang and Soule, 1998). For instance, the movement to establish African-American Studies programs readily diffused among elite liberal arts colleges but failed to establish programs more widely in academia (Rojas, 2006). Protests succeeded in winning divestment from South Africa among elite universities but those victories had little impact on other universities (Soule, 1997). Similarly, high-performance work organization principles initially found their way to some automobile manufacturing facilities but have failed to diffuse more widely (Rubinstein and Kochan, 2001).

Diffusion and institutionalization may stall following elite endorsement because of the polarizing nature of contentious
social movements (Soule and Earl, 2001). Contentiousness arises when the group seeking to change institutionalized behaviors is relatively powerless and when its goals involve demands on those who have power in the status quo (Tarrow, 1994; McAdam, Tarrow, and Tilly, 2001; Morrill, Zald, and Rao, 2003). This implies that confrontational tactics must be used in recruiting, mobilizing, and uniting potential allies to increase pressure on specific targets and that counter-mobilization efforts will emerge to staunch early victories (Meyer and Staggenborg, 1996; McAdam, Tarrow, and Tilly, 2001; Ingram and Rao, 2004). The possibility of confrontation associated with social movements introduces an added layer of uncertainty that affects the decisions of other firms considering adoption of the practice in question. As Hunt, Benford, and Snow (1994) have shown, social movement leaders actively seek to fragment organizational fields into imputed identity categories of protagonists, antagonists, and neutral observers. This helps to radicalize and mobilize recruits (Alinsky, 1989). But doing so also draws battle lines separating a few firms willing to work with activists from the few that will stand their ground, as well as from the mainstream of firms remaining on the sidelines, preferring to avoid confrontation if possible. These lines become salient boundaries in social space that may unintentionally limit the scope of the movement, spreading change among firms that jump onto the bandwagon early but failing to reach the rest of the field.

Yet, paradoxically, this fragmentation also may create the context in which widespread diffusion and institutionalization of contentious practices becomes possible. Over time, prominent organizations that are the targets of social movements acquire reputations for being prone or resistant to activist influence (Baron, 2005; Zald, Morrill, and Rao, 2005; Baron and Diermeier, 2007). Those reputations can play an important role in the diffusion of contentious practices. Companies that are widely thought to be susceptible to activists’ influence likely do little to resolve other firms’ uncertainty about contentious practices and the politics that surround them. In contrast, companies that have reputations for resisting activism may signal to mainstream firms that an issue has lost its political charge, and this opens a route by which practices diffuse into the mainstream. To test our argument, we examined the diffusion of domestic partner benefits among the Fortune 500. We used a unique dataset containing information on the presence and timing of activism within firms, linkages between firms, including healthcare benchmarking observations, and a measure of activism resistance and proneness based on media reports of companies’ responses to activism.

**ACTIVISM, IMITATION, AND CONTENTIOUS PRACTICES**

**Imputed Identities of Proneness or Resistance to Activism**

It is well established that decision makers imitate others as a response to uncertainty (DiMaggio and Powell, 1983). Imitation is a form of social proof (Cialdini, 2001; Rao, Greve, and Davis, 2001) in which actors look to others who are widely perceived as successful and legitimate for clues about what is, and what is not, considered normatively appropriate. The
principle of imitation has not gone unnoticed among social movement leaders. From activists pursuing labor standards at Nike (O’Rourke, 2003) to environmentalists targeting firms like British Petroleum and Citigroup (Baron and Yurday, 2004), social movements have come increasingly to focus their energies on changing corporate practices as a route toward widespread societal change (Morrill, Zald, and Rao, 2003). Their strategies for doing so typically involve targeting highly prominent companies considered to have a great deal of status. Prominent firms make easy targets partly because the risks associated with public relations fiascos are greater than in less-visible firms. They are all the more attractive because victories might influence behavior among a wider population of firms (Baron and Yurday, 2004).

Prominent firms cannot control whether movements choose to target them. But they do have a choice about how to respond when targeted. In brief, companies can attempt to repel activism or else acquiesce in one form or another (Olivier, 1991; Zald, Morrill, and Rao, 2005; Baron and Diermeir, 2007). Hunt, Benford, and Snow (1994) argued that social movement leaders deliberately fragment organizational fields, categorizing some firms as protagonists that are allied with the cause and others as antagonists that are positioned against it. As more social movements have come to target companies directly (Davis and Zald, 2005), some firms acquire imputed, yet persistent identities as being either likely to resist activism or likely to capitulate to it. These identities are based on the actions of firms in the context of prior movements and need not reflect either the central, enduring, and distinctive features of an organization (Whetten, 2006) or the enduring, salient social categories from which organizations derive meaning (Tajfel and Turner, 1986). Rather, they are imposed in the course of a movement as part of the framing tactics of the movement’s participants.

Identities imputed in the course of a movement may last only as long as the movement is contested, but some are likely to stick in the memories of observers. This stickiness is partly achieved by news media in their role as social arbiters in narrating corporate activities (Gamson, 1988; Chen and Meindl, 1991; Wiesenfeld, Wurthmann, and Hambrick, 2008). Journalists routinely seek to create forceful and memorable narratives that appeal to readers (McCombs, Einsiedel, and Weaver, 1991; Lippmann, 1922), often doing so by building a sense of drama from conflict between protagonists and antagonists (Hunt, Benford, and Snow, 1994). Conflict generates drama, and drama sells. This is particularly effective when actors and issues can be portrayed as notorious, consequential, extraordinary, and culturally resonant (Ryan, 1991). Such media amplification has been shown to create “celebrity” identities for certain firms (Rindova, Pollock, and Hayward, 2006). Similarly, media coverage of highly reported movements and their corporate sparring partners will contribute toward establishing certain often-targeted companies as activism-prone or activism-resistant in the minds of mainstream observers, as was evident, for example, in Nike’s early resistance to activists promoting fair-labor practices (O’Rourke, 2003; Locke, Qin, and Brause, 2007).
As is also the case with celebrity firms’ identities, the narratives around which imputed identities are built vary widely. Some may link a firm’s activism resistance to an engrained corporate culture that is closed off and defensive. Others might link activism proneness to the attitudes of the founder or to a strategic direction that aligns a company’s interests with those of the movement. These narratives might originate with activists or journalists, or even from other observers and participants. But over time, and with an accumulation of waves of movement activity, certain simple themes, such as resistance or proneness to activism are revived, reinforced, clarified, and woven into the socially constructed fabric of business culture. This dynamic is driven in part by the well-established tendency to attribute outcomes to an actor’s internal intrinsic qualities (Ross, 1977) such that, though observers may forget the details of the original narrative, they may recall the general association of certain firms with resistance or conciliation in the face of activism. For example, as a blogger commenting on environmental activists targeting Apple Computer noted, “The ex-hippies in charge of Silicon Valley companies are easy targets. But any victory, in converting them to the cause, will be purely symbolic, useful for fund-raising, maybe, but ultimately meaningless. This campaign against Apple is, at best, moral blackmail and, at worst, a cynical shakedown” (Valleywag, 2007).

Apple—at least in the mind of this observer—is an activism-prone company that will respond with relative sympathy to being targeted. At the other extreme, General Motors’ reputation as resistant to activism was noted in a media report concerning the movement to divest from apartheid South Africa: “General Motors Corp. yesterday became the largest U.S. company to announce that it was pulling out of South Africa. [This] represented a key victory for anti-apartheid activists [as] GM has been recognized as at the forefront of those U.S. firms that have resisted the divestment movement in the United States” (Isikoff, 1986).

Similarly, media accounts of Exxon’s response to activism on a range of issues have tended to characterize it as “recalcitrant,” “adversarial,” and rooted in a culture of “digging in their heels” (Bianco, 2001; Mouawad, 2006). Beyond its policies and practices, Exxon’s manner of responding to environmental and indigenous-rights activism gives it a strongly resistant identity. This identity has become a central trope in the collective action frames of activists targeting it on other contentious issues, such as divestment from pariah countries, human rights, community health, and political influence in which Exxon is implicated (Stop ExxonMobil Campaign, 2007).

The Nixon-in-China Effect

Social movements are dynamic, multilevel processes that evolve over the course of their lifecycle (King, Cornwall, and Dahlin, 2005; Soule and King, 2006). Initial stages revolve around activists’ efforts to build a cadre of activism-prone allies and to point fingers at recalcitrant resisters. But the link between activism and institutionalization requires practices to escape this contentious phase and diffuse into regular institutionalized practice among mainstream companies. By “main-
stream,” we mean that large majority of firms that are neutral or uncommitted observers of a politically contentious process (Hunt, Benford, and Snow, 1994). Mainstream firms include companies that are not prominent enough to garner the attention of activists, as well as those that remain passive or inattentive in the face of contention. Most large American corporations tend toward this mainstream position, as they typically seek to avoid the appearance of political action on issues that they perceive to be salient primarily to organized groups such as activists (Yoffie, 1987; Buchholz, 1992; Bonardi and Keim, 2005).

As a movement shifts out of its contentious phase, proponents seek to convince decision makers in mainstream firms that the practices they advocate are no longer contentious and, furthermore, that they fit within a legitimated logic of economic rationality (Meyer et al., 1997; Kelly, 2003; Zald, Morrill, and Rao, 2005). Prior adoption by companies in the organizational field is a form of evidence used in making these claims. But the evidentiary value of those adoptions is often filtered by the imputed identities of the adopting companies. Activism-proneness and activism-resistance are loosely constituted cognitive categories that inform observers’ heuristic expectations about how observed companies are likely to respond when confronted with a contentious practice. These categories need not be sharply delineated in terms of membership or strictly defined by certain rules. Rather, it is sufficient that some firms will be more strongly identified by others with the central tendencies of each category (Rosch, 1978; Casson, 1983; Porac and Thomas, 1990; DiMaggio, 1997).

Activism-prone companies’ adoption of a practice is likely to provide relatively little persuasive evidence toward proponents’ key claims. In contrast, adoption by activism-resistant firms should have greater impact. We call the influence of activism-resistant actions to shift mainstream perceptions the Nixon-in-China effect, after President Richard Nixon’s decision to go to China in 1972. Despite having established an unassailable reputation as an anti-communist crusader earlier in his career, Nixon defied a generation-long edict against direct dealings with communist governments when he traveled to China to reestablish diplomatic relations. This shocking act led other leaders to reassess the logic of maintaining diplomatic distance from China’s communist government, and it has come to be seen as an instrumental moment in shifting how Western leaders dealt with communism (Aitken, 1993; Cowen and Sutter, 1998; Cukierman and Tommasi, 1998). Similarly, the impact of adopting a contentious practice by a company known to resist activist influence should have greater influence on diffusion into the mainstream than companies known to capitulate.

Several reinforcing factors distinguish the influence of activism-resistant adoptions compared with activism-prone firms’ adoptions. First, the adoption of a contentious practice by a company perceived to be impervious to activism generates surprise: the action conflicts with expectations about how resistant companies will behave in the face of activism. Such dissonance serves as a trigger for deeper reflection
(Festinger, 1957; Mandler, 1984; Weick, 1995), focusing observers’ attention and potentially leading to more systematic information processing activities among observers (Smith and Petty, 1996).

Depending on whether the observed company is prone or resistant to activism, observing firms are likely to make different inferences about the logic of taking action. Logics of action are shared cognitive frameworks related to particular practices or domains that decision makers use to help guide their own behavior (DiMaggio, 1997). Of course, most firms adopting a practice, whether they are prone to activism or not, will publicly account for their actions using some version of the logic of economic rationality. But the interpretation of those accounts is filtered through imputed identities. Activism prone firms may actually adopt a practice purely from a logic of instrumentality or economic rationality, but observers may just as easily conclude that they adopted out of a sense of social responsibility or as a result of pressure from activists. Information is more influential when it is seen as independent and not a result of normative pressure (Turner, 1991; Mummendey and Wenzel, 1999). Because resistant adopters are seen as less susceptible to external influence, their adoption is more likely to be viewed as motivated by instrumental intentions. Activism-resistant adopters are likely to provide a stronger signal that a convincing logic of economic rationality has attached to the practice.

Consistent with this argument, Turner and Oakes (1997: 369) argued that judgments endorsed by a broad rather than a narrow spectrum of identities influence observers more forcefully because they “are rationally more likely to reflect a deeper truth about the world . . . because they have emerged from and survived processes of discussion, argument and collective testing.” Dickerson (1997) likewise found that politicians who bolster their arguments by referencing unbiased experts are particularly effective when those experts are otherwise allied to the opposition. In this way, adoptions by resistant firms provide strong independent evidence for the frames in which activists situate the case for mainstream companies’ adoption (Zald and Berger, 1978; Zald, Morrill, and Rao, 2005; Kaplan, 2008).

Finally, the effect of activism-resistant firms’ adoptions on other firms is also likely to be stronger because those adoptions suggest that the contentiousness surrounding the practice has been resolved. Actively contentious practices carry the risk of costly political involvement and negative media coverage for firms that become linked to them. Corporate leaders’ general preference for avoiding unnecessary risks is well established (March and Shapira, 1987). Contentious issues threaten to embroil companies in value-laden conflicts in the broader social environment, a situation, it is safe to say, that most companies would prefer to avoid if possible (Vogel, 1978; Baron, 2003; Zald, Morrill, and Rao, 2005). As Nelson (1990) pointed out, many large corporations spend a larger portion of their advertising budgets on influencing their image than on selling products, partly out of a desire to avoid becoming targets of activism.
All new practices lack legitimacy when they are first introduced into an organizational field and, when that practice is not contentious, early prominent adoptions of the practice can help to alleviate uncertainty about adopting it. But contentious issues carry an extra burden. To gain widespread acceptance, they must acquire legitimacy, but they must also transcend the uncertainty associated with the politics on which they are initially advanced. Companies known to be prone to activists’ influence will do little to demonstrate that contentiousness has reached an end, because those firms may be seen as either aligned with the protagonist’s agenda or at least susceptible to it. Activism-resistant firms’ adoptions cannot be interpreted as the result of a philosophical alignment with the values of the movement, nor are they likely to be interpreted as the result of capitulation in the face of threat. Rather, they may be seen as compelling evidence that the practice no longer carries the costs and uncertainties associated with contention and can therefore be evaluated on its merits.

Adoptions by companies known to resist activism should trigger attention and deeper processing. They provide independent confirmation for proponents’ claims that a rational economic logic of action for adoption exists, suggesting that the contentious phase of the diffusion process has subsided and diminishing the uncertainty associated with the political process itself. An accumulation of adoptions by companies known to be resistant to activism should therefore open otherwise neutral or uncommitted observers to revising their existing taken-for-granted beliefs about the practice and to accepting the arguments of proponents that they should follow the same course of action:

**Hypothesis 1a:** Adoptions by activism-resistant firms will increase the likelihood of adoption among mainstream firms more than adoptions by other mainstream firms or by activism-prone firms.

As stated, the Nixon-in-China effect will emerge from the cumulative adoptions of resistant firms across the entire field of large corporations. That model assumes that decision makers are engaged in relatively broad field scanning (Hambrick, 1982), so that information about prior adopters anywhere in the field will reach them. Given constraints on managers’ attention (Cyert and March, 1963), practitioners often engage in more focused scanning behavior using a set of selective benchmarks chosen from within the corporate field. Corporate benchmarking involves assessing the practices of other organizations with the intention of learning from them (Strang and Still, 2009; see also Strang and Macy, 2001). Selective comparative benchmarking against a set of other organizations provides corporate leaders with a practical way to attend to their environment in a world with an overwhelming amount of information and in which managers’ attention is finite.

The Nixon-in-China effect should also work within established information channels defined by corporate benchmarking. Such direct firm-to-firm observation should cut across cleavages in the social space defined in terms of companies’ activism resistance or proneness to involvement in con-
tentious politics. This will provide opportunities for what McAdam (2003) called “brokerage moves” that bridge different identity spaces. Corporate benchmarking attention therefore provides a potentially important conduit for turning contentious practices into regularized practice accepted by the mainstream. Activism-resistant adopters observed through benchmarking attention should influence subsequent adoption positively:

Hypothesis 1b: Adoptions by benchmarked activism-resistant firms increase the likelihood of adoption among mainstream firms more than adoptions by other firms.

Activism emerges first in places where the political opportunity structures are most conducive. Initial victories generate a “cycle of protest” as potential activists in other locales both realize the possibility of taking action and learn from their predecessors about the tactics that produced success (Tarrow, 1989, 1994; McAdam, 1995). The cycle begins where political opportunity structures are conducive, but as the movement progresses to more resistant targets, the likelihood of success diminishes. Yet, to have meaningful impact, social movements must achieve what social movement scholars refer to as “scale shift” (McAdam, Tarrow, and Tilly, 2001; Rao, Monin, and Durand, 2003), breaking from isolated instances of protest to gain acceptance in the wider population. The reticence of mainstream firms to become linked to practices associated with activism poses a significant barrier and raises questions about the role that activists play in spreading contentious practices into the population of mainstream firms.

It is well established that organizational orientations toward activism shape the tactics that social movement actors employ in achieving their goals. Katzenstein (1990, 1998) showed that women in the military and the Catholic Church face strong norms and formal rules that militate against openly expressing feminist politics. In line with Meyerson and Scully’s (1995) idea of “tempered radicals,” Katzenstein showed that politics nevertheless emerge, but the form they take is “unobtrusive.” Morrill, Zald, and Rao (2003) folded both unobtrusive politics and tempered radicalism into the general category of “covert politics” to characterize the range of tactics employed by workers in corporate settings that discourage dissent.

Advocates often reframe issues in ways that are targeted to persuading decision makers. A range of studies in the neo-institutionalist literature suggests that adoption and eventual internalization of once-contentious practices goes hand in hand with a reinterpretation that situates the practice within prevailing, legitimated logics of action (Edelman, 1992; Dobbin and Sutton, 1998; Stryker, 2003; Kelly, 2003). Frames that incorporate the interests and identities of a wide range of organizations and decision makers can gain acceptance only after the polarizing rhetoric of contention has died down (Lounsberry, Ventresca, and Hirsch, 2003). Case studies suggest that activists are acutely aware of the barrier that contention poses to achieving widespread implementation of their goals, and the frames that activists employ shift over
Together, frame shifting and covert politics suggest one route by which movements propel their goals into the mainstream population of firms and into more resistant parts of the organizational population. Prior qualitative research into the diffusion of domestic partner benefits shows just such a pattern. Early activists made direct appeals to organizational leaders with arguments of fairness, pointing out the inconsistencies of existing policies with the stated values of the firm (Iannuzzo and Pinck, 1991). As movements unfold, activists shift their strategy away from direct advocacy and toward channeling persuasive information to decision makers.

Importantly, Scully and Creed’s (1998) study of the diffusion of domestic partner benefits among companies in Minneapolis indicated that one way in which groups influence a company’s decision making is by directing attention toward other companies in the environment that have recently adopted the benefits. This suggests that the Nixon-in-China effect is likely to play to the advantage of covert activists’ efforts. Activists are more likely to be persuasive when they can covertly point to an accumulation of companies in the environment that have adopted. Doing so not only helps assuage concerns that the issue remains contentious, it also bolsters claims that the broader shift toward a logic of economic rationality has occurred. Operationally, this implies that activists will not have a direct effect on mainstream companies. Instead, they should heighten the impact of companies’ awareness of resistant adoption events in the environment of the focal firm:

Hypothesis 2: Activist groups will increase the susceptibility of mainstream firms to adoptions in the wider population.

Domestic Partner Benefits and Employee Activism

We investigated the Nixon-in-China effect using the contemporary diffusion of domestic partner health benefits across corporate America. In 1992, Levi Strauss became the first firm listed on the Fortune 500 to extend healthcare benefits to employees’ same-sex “domestic partners.” As of mid-2008, over 50 percent of the Fortune 500 had followed its lead. Initially propelled by gay, lesbian, bi-sexual, and transgender (GLBT) employee advocates, the practice spread through the upper echelon of corporate America, first among electronics, entertainment, and financial services companies concentrated along the East and West Coasts (Creed and Scully, 2000; Scully and Segal, 2002; Raeburn, 2004). It has since spread to most industries and all regions of the country.

The rapid diffusion of domestic partner benefits is surprising. It required companies to take a stand on a highly contentious, politicized, and values-laden issue being contested in society more broadly, something that large corporations with multiple diffuse stakeholders would typically avoid. It also implied an expansion of healthcare benefits and therefore of healthcare-related overhead costs at a time when
most large companies in the United States were taking dramatic steps to reduce those costs. In short, domestic partner benefits are as contentious an issue as any that has stirred the corporate landscape in recent memory.

As indicated in figure 1, the spread of domestic partner benefits coincided with the emergence of affinity groups composed of GLBT workers, who are widely credited for lobbying companies to adopt the benefits. For comprehensive discussions of the movement, see Creed and Scully (2000), Scully and Segal (2002), Creed, Scully, and Austin (2002), Armstrong (2005), and Raeburn (2004). Yet activist employee groups cannot possibly take all of the credit for its diffusion. As indicated in figure 2, of the Fortune 500 companies in our

Figure 1. GLBT employee groups at Fortune 500 companies, 1978–2005.

Figure 2. Adoption of domestic partner benefits among Fortune 500 companies, 1990–2005
dataset that offer domestic partner benefits, only 43 percent (93 of 214) had an active GLBT employee group at the time the benefit was adopted. Rather than focusing on the direct role that activism played in the diffusion of domestic partner benefits in the set of firms in which activism emerged, we direct our attention to the question of how this contentious practice found its way from a small, relatively isolated cohort of “liberal” companies and into the mainstream of American corporate practice.

Political opportunity theory suggests that activism emerges first where resistance and the likelihood of reprisal is low (Katzenstein, 1998; Zald, Morrill, and Rao, 2005). It is perhaps not surprising then that the first company to offer the benefit was the Village Voice, a weekly newspaper headquartered in New York’s Greenwich Village and perhaps the embodiment of an iconoclastically liberal-leaning organization. In 1979, the paper’s staff union—the Writers’ Union, United Auto Workers’ District 65—negotiated a provision inserting gay men and lesbians into the company’s equal opportunity non-discrimination clause “under strike pressure and the persuasive rationalization of fairness” (Weinstein, 2008: 1; also, see Krupat and McReery, 2001). The benefit spread initially among university campuses, major cities, and firms such as Ben and Jerry’s Ice Cream throughout the 1980s. Then, in 1991, the Lotus Corporation, based in Cambridge, Massachusetts, became the first publicly traded company to offer domestic partner benefits to its employees (Iannuzzo and Pinck, 1991). San-Francisco-based clothing manufacturer Levi Strauss followed a year later, becoming the first company listed on the Fortune 500 to adopt the benefits. In 1993, a number of companies in the information technology industry, including Apple Computer and Microsoft, announced that they too would offer domestic partner benefits. Several Hollywood studios, including Time Warner, MCA, and Viacom, announced similar decisions in 1993 and 1994.

Political opportunity theory also suggests that movements will emerge first where the costs borne by activists are low and the costs to target companies are high (McAdam, 1996; Zald, Morrill, and Rao, 2005). Each of the early adopters of domestic partner benefits had publicly espoused values consistent with those of the movement, and case studies of early victories suggest that companies adopted largely out of a logic of action rooted in fairness and consistency. Iannuzzo and Pinck (1991) discussed how employees at Lotus appealed to the company’s long-established values, which emphasized workers’ empowerment and voice. Apple suggested that adopting the benefit fit its marketing strategy, using themes of diversity and inclusiveness.

The movement to achieve domestic partner benefits also generated counter-mobilizations (Meyer and Staggenborg, 1996; McAdam, Tarrow, and Tilly, 2001; Ingram and Rao, 2004). The first widely publicized instance of counter-movement activity emerged first as socially conservative members of the Williamson County, Texas, legislature refused a building permit to Apple Computer because it offered the benefits. In 1996, members of the American Family Association, a group that seeks to advance Christian family values, initiated
a boycott of the Disney Corporation to protest the company’s extension of domestic partner benefits to employees. In the context of this contentiousness, the cycle of protest surrounding domestic partner benefits picked up momentum in the mid-1990s. At the same time that GLBT groups were pursuing adoption of domestic partner benefits at the organizational level, allies in Washington and at state and local governments sought to pass laws to support the cause. In 1995, Senator Ted Kennedy sponsored the Employer Non-Discrimination Act (ENDA), which included provisions extending Equal Employment Opportunity legislation to include gay and lesbian workers. The eventual defeat of that legislation in the House of Representatives in 1997 led the City of San Francisco to pass a resolution requiring companies doing business with the city to provide domestic partner benefits.

Several major airlines, led by United Airlines—all technically contractors operating out of San Francisco International Airport—resisted and took the matter to court. The airline industry’s objections rested mainly on the legality of a municipality dictating companies’ employment practices. Like other companies at the time, the airlines also resisted out of fears that they would compound already high healthcare costs. Employers faced with the possibility of adding large numbers of gay and lesbian workers feared that providing domestic partner benefits would result in HIV-related healthcare costs associated with covering gay or lesbian partners under the company’s health insurance (Hewitt Associates, 1994). Coming at a time when healthcare costs were already a major concern, this prospect gave many large employers pause. United announced in 1999 that it had decided to offer the benefits regardless of the outcome of the court case, and within weeks, other major airlines, along with Boeing Corporation, had followed suit. Adoption of the benefit by the airline industry was heavily covered by contemporary observers in the press. But that coverage was quickly dwarfed by a second surprising announcement in January, 2000, that three major American automobile manufacturers—General Motors, Ford, and DaimlerChrysler—announced jointly with the International Union, United Auto Workers that they too would offer domestic partner benefits to employees. The announcement was seen as a breakthrough. As one commentator put it:

This is not an ultra-liberal group of white-collar workers. You’re talking about the heartland and the average Joe. . . . It clearly signals that there is a major shift in attitude of the general population in this country. . . . A variety of groups are adopting this concept. Instead of being a bizarre benefit only a few people are willing to give, it’s now becoming more and more accepted in the workplace. (Rothaus, 2000: 2E)

That sentiment was echoed by Ken McDonnell, a research analyst with a key opinion leader in employee benefits, the Employee Benefits Research Institute: “The Big Three implementing those benefits was a very big deal because it was a breakthrough into a whole new industry. . . . The three automobile manufacturers are employing Reagan Democrats. . . . If you get a group like that that’s seen as socially conservative offering same-sex domestic partner benefits, that’s
news” (Elswick, 2001: 52). And, consistent with our arguments concerning the way that proponents use adoption events in the organizational field as a symbolic resource, the joint adoption of domestic partner benefits by the auto industry was seized on by proponents of the policy. For example, the Human Rights Campaign, a national GLBT rights organization that has been at the forefront of efforts to provide resources to GLBT employee groups, issued a report touting the fact that “old economy stalwarts” had begun providing the benefit and calling it a “landmark move” that “gives weight to the business case for offering these benefits” (Human Rights Campaign, 2000).

Since then, as indicated in figure 2, a steady stream of industries and employers has followed. In explaining their decision to adopt, many companies did cite a change in attitude concerning the “business case” for adoption. For instance, Eli Lilly justified adoption of the benefit in 2001 by stating, “... we simply cannot afford to be at any competitive disadvantage in this war for talent” (Swiatek, 2003). Yet just the previous year, when asked why it did not yet offer the benefit, a spokesman said that the company felt that its benefits package was competitive and “meets the needs of the vast majority employees’ needs.” The change in heart is instructive, but so too is the impact that the firm’s decision had on observers. As a newspaper commentator said at the time, “It is highly unusual for Lilly to weigh in on an issue with such large political and social overtones. And the fact that Lilly doesn’t usually speak out gives its comments this time even greater weight” (Schneider, 2007).

The diffusion of domestic partner benefits fits the pattern of a practice that spread initially among a small group of likely targets of activism but that eventually spread to the mainstream. The spread of domestic partner benefits therefore provides an ideal context in which to examine the dynamics by which a social-movement-driven practice escapes initial, largely sympathetic precincts within the organizational field to become standard practice among mainstream organizations. We tested the impact that adoptions by resistant firms had on mainstream companies’ adoption of domestic partner healthcare coverage.

METHODS

Our data come from both primary and secondary sources. First, a survey of top human resources managers responsible for healthcare benefits in Fortune 500 companies provided data on firms’ general characteristics, human resource practices, and the benchmarking attention networks of human resource managers (Maxwell, Temin, and Watts, 2001). These data were gathered in a structured telephone survey of the senior-most managers with responsibility for health benefits in each of the Fortune 500’s largest publicly traded U.S. firms in 1999. Of those 500 companies, 21 mutual insurance companies lacking comparable financial data were removed, as were 13 firms that had been the subject of recent merger or acquisition activity. Of the remaining 466 target firms, 402 usable surveys were obtained, for a final response rate of 86.5 percent.
A second survey of GLBT employee groups provided us with data on employee groups’ characteristics, also allowing us to verify key firm data, including the date of domestic partner benefit adoption. Contact information for the representatives of employee groups came from a range of sources, starting with the Human Rights Campaign (HRC) database. The HRC database is derived from its own member network and internal surveys, both of which are updated frequently. When HRC contact information was inadequate, we pursued all practical options for identifying a representative from the target firm’s employee group, including asking for help from other employee groups, asking corporate human resources staff in the target firm, and conducting research on the Internet. The key data from this employee group survey are the presence and formation date of employee groups within each firm and the network ties between employee groups. Group formation dates were found for 111 of 115 firms with known groups, and activist network information was provided on 45 of those firms.

We developed our measure of corporate orientation toward activism using a structured analysis of media reports on companies’ responses to activists’ targeting, described in detail below. Our measure of corporate social responsibility (CSR) was constructed using the Socrates database on U.S. securities provided by KLD Analytics, also described in detail below. Finally, supplementary financial data and 2-digit Standard Industrial Classification (SIC) codes were obtained from Standard and Poor’s COMPSTAT database, as described below.

Models

We used the heterogeneous diffusion model (Strang and Tuma, 1993; Greve, Strang, and Tuma, 1995) to model the impact that characteristics of companies that adopted domestic partner benefit coverage had on the hazard of adoption among firms that had not yet adopted the benefit. This class of models is well suited for understanding practice adoption across a complex, segmented landscape of actors such as ours (Davis and Greve, 1997; Soule and Earl, 2001; Schneiberg and Clemens, 2006).

Standard notation for the heterogeneous diffusion model denotes n as a focal actor and s as an alter of that focal actor. Four separate vectors are specified in the model. \( X_n \) is a vector of variables affecting n’s intrinsic propensity for change (propensity); \( V_n \) is a vector representing n’s susceptibility to the influence of s’s (susceptibility); \( W_s \) is a vector representing the strength of an s’s influence on others (infectiousness), and \( Z_{ns} \) is a vector representing the social proximity of any n and s pair (proximity). The hazard rate for n’s adoption at time t is then specified by:

\[
 r_n(t) = \exp(\alpha'X_n) + \exp(\beta'V_n) \sum_{s \in S(t)} \exp(\gamma'W_s + \delta'Z_{ns})
\]

The heterogeneous diffusion model allows features of alters (s’s) to influence a focal firm (n) differentially. For any given
firm at risk of adoption, we can model its direct influence on the likelihood of adoption and/or its role in making the firm more susceptible to the influence of other firms’ adoptions in the field while accounting for a range of factors, such as the presence or absence of employee groups, geographic proximity, or companies’ orientation toward activism. Following Greve, Strang, and Tuma (1995), we assigned focal-firm variables to either the propensity or susceptibility vector based on the results of a specification search procedure in which we initially entered all focal-firm variables in both of those vectors and then, in our final model, retained variables in the vector in which it achieved the greatest significance.

To test hypothesis 1b concerning influence among firms that benchmark one another, we modified the model by restricting contagion between prior adopters and firms at risk of adoption based on network linkage data. In that analysis, any given prior adopter can only influence other firms that cite it as a benchmark alter, and the risk set is composed of firms with at least one benchmark alter. In other respects, the contagion-restricted models are identical to the full-contagion models in which all prior adopters can influence the focal firm.

Corporate orientation toward activism. We coded a company’s perceived orientation toward activism by using archival media reports describing each firm’s responses to activists’ efforts targeting them on other contentious social movement issues. We followed a process that involved first searching for relevant news articles on corporate responses to being targeted, coding those articles based on what they conveyed about the firm’s response, and then coding firms to be activism-resistant, activism-prone, or neither based on the results of those coded articles. Activism prone firms were those that responded to activism favorably, activism-resistant firms were those that were visibly recalcitrant, and all other firms that did not rise to meet those criteria were assigned to the “mainstream” category. Appendix A provides details on the coding scheme. This method produced three basic categories of firms used in our final analyses: activism-resistant firms (N = 53), activism-prone firms (N = 43), and mainstream firms (N = 306). Mainstream firms constitute the risk set in our models of benefit adoption. To compare the relative influence of companies with different orientations toward activism on the behavior of mainstream firms, all three categories of firms were included in the influence set.

Dependent Measure

Benefit adoption. Data on the date of domestic partner benefit adoption were taken from data provided by the Human Rights Campaign. We verified these data when possible through the GLBT employee group survey. Benefit adoption data were also available from the human resources survey for the year 2000, providing a third check. We found few discrepancies. Year of adoption constituted an appropriate temporal unit of analysis because benefit changes are generally made once per year in most firms, preceding the annual employees’ “open enrolment” time window.
Influence Measures Associated with Prior Adopters

*Activism orientation.* To model the influence of prior adopters, we included characteristics of those prior adopters in the infectiousness vector. In particular, we included activism-prone and activism-resistant dummy measures for prior adopters based on the categorization scheme outlined above.

*Corporate social responsibility.* Corporate social responsibility (CSR) refers to a company’s performance on a range of social and environmental issues over time. CSR is rapidly expanding in terms of practice and theory and has become institutionalized as a tool used in the socially responsible investing community (Waddock and Graves, 1997). To the extent that some firms present relatively stable and visible CSR profiles for observers, those profiles may also become reference points to use when deciding whether domestic partner benefits are moving into the mainstream. We also included the CSR scores of prior adopters in the infectiousness vector as a control because it could represent an alternative source of influence. For each firm in the influence set, the CSR score was constructed by summing that firm’s performance on four positive and four negative items provided in the KLD database described above. An example of a positive item is “The company has made notable progress in the promotion of women and minorities, particularly to line positions with profit-and-loss responsibilities in the corporation,” and an example of a negative item is “The company’s operations have had major recent controversies primarily related to labor standards in its supply chain.” The full set of questions is available from the authors. All raw items are binary, so the possible range for each firm extends from –4 to +4. The composite CSR score was entered directly into the infectiousness vector.

**Network Measures**

*Benchmarking attention network.* Professional human resource managers are an important mediator in the process of evaluating and sometimes advocating for new contentious practices. Human resource managers are likely to be approached by advocates and are also responsible for briefing top decision makers on costs and benefits as well as best practices. It is vital therefore to understand the context in which these managers are embedded. To capture this, we gathered data on companies that human resource managers in focal firms use as benchmarks with respect to healthcare benefits. The benchmarking data were taken from responses to the manager survey. Respondents were asked, “Please name two or three other employers to which you compare your health benefits (for example, Fortune 500 companies).” Pre-tests found that managers were comfortable and familiar with the notion of a set of firms with which they compared their own practices or whose behavior they formally or informally tracked. Companies were not asked whether they benchmarked specifically with respect to domestic partner benefits; responses pertained to healthcare benefits generally. This ensured that the network was exogenous to the prac-
tice under consideration and not contaminated by observations of prior adoption of this particular practice.

The majority of responses referenced companies that also responded to the survey, but we also included alters that were not respondents but were still within the Fortune 500 sample frame in our network analysis. There were 26 alters from outside the Fortune 500 sample frame, nine of which were cited by multiple respondents. Although all respondents were given space to report three alters, many reported just two or one. Of the survey respondents, 35 percent reported three benchmarking alters, 32 percent reported two alters, 14 percent reported one alter, and the remainder reported no alters.

We used benchmarking attention network data in two ways. First, by entering the attention network directly into the social proximity vector, we investigated how observation through benchmarking influences the decision to adopt domestic partner benefits. This tests whether an adopting firm had a greater influence on the actions of other firms when it was a benchmark used by those other firms. Second, we used the attention network to define benchmarking centrality scores for each firm in the dataset. We used eigenvector scores to incorporate the influence of secondary and more distant ties. Thus attention from more important actors gives a firm even higher centrality scores than attention by less important actors. Alternative centrality measures (degree, closeness, and betweenness scores) provided no greater significance or explained variance. Centrality scores test whether central firms with the most attention paid to them behave differently as adopters and also to test for structural equivalence effects.

Interlock network. Because adopting the benefit involves an increase in overhead costs as well as the possibility of exposing the firm to contentious politics, the final decision on whether to adopt domestic partnership benefits typically resides with top management and the board of directors. This suggests that board interlocks may be an important source of direct information transfer (Davis, 1991; also see Davis and Greve, 1997). Though these data are available longitudinally, we chose to include the date from the same year as the employer survey (1999). Although these data are static, they are known to be relatively (though certainly not completely) stable over time, and their construction and quality are well documented elsewhere (e.g., Davis, 1991). We entered interlock networks into the social proximity vector to assess the importance of this information-diffusion pathway for domestic partner benefits. Private information about the activities and experiences of prior benefit adopters could be valuable in persuading interlock partners that adoption of the new benefits is practical and/or legitimate. We also constructed eigenvector centrality scores to test whether central firms with the greatest access to information through interlocked directorates behaved differently as adopters.

Activist group network. The literature on cycles of protest suggests that information about tactics, as well as the substance and content of a movement’s demands, spreads
through network ties among social movement organizations (Strang and Soule, 1998). We gathered data on the advice network between GLBT groups from the employee group survey. Respondents were asked to identify the names of up to three GLBT groups in other companies from whom they sought advice concerning domestic partner benefits. The group network provides an alternative conduit for information about the corporate experience with domestic partner benefits to flow from one firm to another, as well as a conduit for the exchange of information between activist groups themselves on which tactics are more or less effective in persuading managers to adopt domestic partner benefits. Both types of information could increase the hazard of benefit adoption in receiving firms.

**Same industry and region.** Our diffusion models also controlled for the proximity effects of firms in the same industry or region. Entering each firm’s primary 2-digit SIC code in the social proximity vector, as well as a code for the state in which each firm reported having the greatest concentration of employees provides a relatively detailed control for industry and regional effects. To capture differences across industries in the group formation model, we constructed aggregate industry variables from 2-digit SIC codes. The indices followed the aggregation scheme of Ferson and Harvey (1991) and Campbell (1996). The industries included basic industry, petroleum, finance/real estate, consumer durables, food/tobacco, construction, capital goods, transportation, utilities, textiles/trade, service, and leisure. The region variable was derived from a question on the employer survey asking respondents to identify the city in which their largest concentration of employees was located. We recoded these cities into the corresponding federal information processing standard metropolitan statistical area codes, which were entered into the proximity vector.

**Independent Measures and Controls Associated with the Focal Firm**

**Activist group presence.** We modeled the presence of activism inside organizations with a time-varying covariate reflecting the formation of GLBT employee groups. Among firms in which groups were formed and benefits were adopted, the date of formation preceded the date of adoption for most firms. When this was not the case, we recoded the group formation score to zero, indicating no group formation, to exclude groups that could not logically have influenced the decision to adopt benefits. We used a simple spell-splitting procedure for all firms in which groups were observed to account for variation over time. We also included activist group formation in the susceptibility vector.

**Opportunity structure for activism.** To establish the causal effect of an employee group on a company’s decision to adopt, one must avoid conflating the group’s effect with the likelihood that a group will form at a company in the first place (Meyer and Minkoff, 2004). We measured the political opportunity structure for activism to model the formation process of activist groups in the same Fortune 500 sample of companies. We used a Weibull event history model to pre-
dict the timing of activist group formation. All firms were at risk starting in 1975, the year prior to the formation of the first group. Covariates included variables hypothesized to constitute the political opportunity structure associated with activist group formation (shown in Appendix B). Many of those variables were also included separately as direct focal-firm controls in our models, either in the propensity or susceptibility vector. We then converted the predicted event times produced by that model into a forced percentile ranking and then inverted them by subtracting each firm’s score percentile score from 100. The resulting composite score ranges from 0 to 99, reflecting each firm’s percentile ranking in the distribution of predicted event times. A score of 99 reflects a firm with characteristics that should be associated with rapid activist group formation, while a score of 0 reflects a firm with characteristics that should be associated with no activist group forming during the time period of the study. We then used this opportunity-structure score as a key control for the conditions under which firms are likely to experience activist pressure to adopt domestic partner benefits. We entered this score into the susceptibility vector because preliminary models indicated that its effect was strongest there.

Best company to work for. Firms that invest in human resource or benefits practices as part of a larger strategy to attract and retain high-quality employees might be more likely to adopt domestic partner benefits. We used a simple, publicly available proxy for firms’ orientation toward human resource practice leadership: whether the firm had ever been on the “Fortune Magazine Best Companies to Work For” lists of employers. We used lists from the start of the best companies survey (1983) to the end of the study period (2005) and scored firms as 1 if they surfaced on any of the annual lists, and as 0 otherwise. The exact methodology Fortune used for the surveys changed somewhat over the time period, but in all cases it required firms to voluntarily choose to participate in a lengthy evaluation process and then was based largely on the results of employee surveys for those firms that chose to participate. Hence a firm’s presence on the list reflects a combination of the firm’s own decision to attempt to identify itself as an exemplary employer and its employees’ assessments of the firm as an exemplary employer.1

Unionization. In all models, we included a variable from the employer survey that reflects the percentage of the total workforce that was unionized. Firms with higher levels of unionization could have institutionalized norms that permit employees to express their collective voice, lowering managers’ resistance to employees forming groups and expressing goals. Alternatively, unionization could act as a substitute for alternative forms of voice in the workplace, such as employee groups. In analyses not shown, an additional quadratic term on unionization intended to assess any curvilinear influence yielded similar results.

Size and financial condition. We captured additional firm characteristics of firms using two measures of firm size: logged company assets in the year 1998 and benefits-eligible employment (in thousands) at the time of the survey. Assets

1 In analyses not shown, we also entered several alternative measures for high-commitment human resource practices. These included survey items covering whether the firm attempted to provide above-market wages, other pay and benefits practices, and an index of 12 survey items capturing corporate healthcare quality investment activities (see Maxwell, Temin, and Watts, 2001). None of those specific practices, individually or together, explained as much variance as the simple best company indicator we used.
data came from COMPUSTAT. The measure of benefits-eligible employment, taken from survey responses, is superior to standard measures of employment because it reflects the importance of employees’ eligibility to benefits decision making. For example, large firms whose employees are chiefly benefits-ineligible part-timers may view the advantages and disadvantages of adopting new benefits differently than a large firm in which all employees are benefits-eligible. We also included cash flow as a measure of resource slack, constructed from COMPUSTAT financial data.²

GLBT city. Because of the potential independent influence of geographic location on strategic benefit decisions, we included measures of location and industry that would be associated with more gay and lesbian workers and applicants in the firm’s relevant labor market. For location, we included a dummy variable capturing those firms that reported their greatest employee concentration to be in one of the ten cities with the largest gay and lesbian populations. Following Black et al. (2000), we gathered these data from the 2000 census. It reflects the percentage of same-sex couples in cities with a total population of at least 500,000—in descending order: San Francisco, Miami, Austin, Seattle, Atlanta, New Orleans, San Diego, Los Angeles, Portland, and New York.

Human capital industries. We included a dummy variable for firms in those major industries with high human capital needs, which could prompt adoption as part of a larger workforce strategy. The industries were high-technology/equipment manufacturing, banking/finance, telecommunications, and airlines (Human Rights Campaign, 2003).

Corporate political contributions. To control for political leanings, we constructed a variable for the ratio of Democratic to Republican political campaign contributions for the year 2000 for each firm. Contribution data for 38 percent of the Fortune 500 firms in our usable sample came from the Center for Responsible Politics (http://www.opensecrets.org). The data aggregate soft money contributions to party candidates and organizations available from public records for the firm as well as individual contributions from officers of the firm. The ratio varies from 0 (entirely Republican contributions) to 1.0 (entirely Democratic contributions). Many firms were missing, because the combined total of contributions was less than $10,000; for those firms, we assigned the neutral value of 0.50.

The San Francisco ordinance. As mentioned above, 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. To control for the effect this might have had, we included a dummy control for firms headquartered in the San Francisco greater metropolitan statistical area.

RESULTS

Table 1 presents descriptive statistics, and table 2 reports the results from heterogeneous diffusion event-history models predicting the estimated hazard of adopting domestic partner

²Following Haunschild (1993), we computed slack as the average of annual cash flow for the five years, 1994 through 1998. The measure for performance used the percentage change in operating income (net of deferred taxes) between 1993/1994 (two-year average) and 1997/1998 (two-year average). This income-growth measure captured change over the survey period while still somewhat dampening the effect of unusual individual years. Several other specifications were also tested, with no notable difference.
benefits among all Fortune 500 firms that were categorized as mainstream in our sample. The results provide strong support for our hypotheses on how prior adopters will influence the focal firm's hazard of adoption. Activism-resistant prior adopters have a significantly greater influence on the focal firm's hazard of adoption, consistent with hypothesis 1a. In model 1, activism-resistant prior adopters are nearly three times (2.748) more influential than mainstream firms in this regard and also more influential than activism-prone prior adopters (coefficient t-test p < .05). Activism-prone prior adopters, in contrast, have no significant impact on mainstream adoption. In model 2, contagious influence is restricted to the benchmarking network among firms, producing results that are consistent with hypothesis 1b. After restricting contagion, activism-resistant prior adopters are nearly two times (1.721) more influential than mainstream firms.

The results also support hypothesis 2, which stated that the presence of activist groups in a focal firm increases its susceptibility to the influence of prior adopters across the Fortune 500. The formation of an activist group within a firm is associated with a threefold increase in the susceptibility to adoptions in the field (precise effects sizes ranged from 2.866 to 3.086).³

Models 3 to 5 in table 2 report parallel results using two alternative measures of the prior adopter’s identity to which observing firms might also plausibly have responded. Consistent with the Nixon-in-China effect, lower corporate social responsibility (CSR) scores in model 3 are associated with an increase in influence on the hazard of adoption among mainstream firms. A prior adopter with a CSR score that is one standard deviation below the median is 2.290 times more influential than an equivalent prior adopter with the median CSR score. The fourth model provides similar results using

---

Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Benefit adoption (1/0)†</td>
<td>.57</td>
<td>.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Activist group (1/0)†</td>
<td>.274</td>
<td>.45</td>
<td>.42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ln(assets)</td>
<td>9.280</td>
<td>1.18</td>
<td>.38</td>
<td>.37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ln(eligibles)</td>
<td>4.345</td>
<td>.41</td>
<td>.20</td>
<td>.20</td>
<td>.31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. GLBT industry</td>
<td>.245</td>
<td>.43</td>
<td>.18</td>
<td>.13</td>
<td>.19</td>
<td>.09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. GLBT city</td>
<td>.342</td>
<td>.48</td>
<td>.27</td>
<td>.12</td>
<td>.13</td>
<td>.13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Democratic donations</td>
<td>.158</td>
<td>.31</td>
<td>.07</td>
<td>.17</td>
<td>.09</td>
<td>.02</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
<td>.13</td>
<td>.10</td>
<td>.09</td>
<td>.17</td>
<td>.14</td>
<td>.09</td>
<td>.03</td>
<td>.05</td>
<td>.12</td>
</tr>
<tr>
<td>8. Opportunity structure for activism</td>
<td>.427</td>
<td>.16</td>
<td>.00</td>
<td>.04</td>
<td>.15</td>
<td>.11</td>
<td>.02</td>
<td>.04</td>
<td>.04</td>
<td>.29</td>
<td>.17</td>
<td>.01</td>
<td>.05</td>
<td>.17</td>
<td>.14</td>
<td>.03</td>
<td>.05</td>
<td>.12</td>
</tr>
<tr>
<td>10. Interlock centrality</td>
<td>6.191</td>
<td>3.76</td>
<td>.12</td>
<td>.23</td>
<td>.29</td>
<td>.33</td>
<td>.07</td>
<td>.09</td>
<td>.03</td>
<td>.17</td>
<td>.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Best co. to work for</td>
<td>.190</td>
<td>.39</td>
<td>.20</td>
<td>.31</td>
<td>.11</td>
<td>.07</td>
<td>.20</td>
<td>.11</td>
<td>.04</td>
<td>.55</td>
<td>.30</td>
<td>.09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Cash flow</td>
<td>.318</td>
<td>.46</td>
<td>.16</td>
<td>.07</td>
<td>.05</td>
<td>.06</td>
<td>.03</td>
<td>.05</td>
<td>.07</td>
<td>.08</td>
<td>.04</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Unionization</td>
<td>2.140</td>
<td>23.60</td>
<td>.06</td>
<td>.00</td>
<td>.07</td>
<td>.14</td>
<td>.04</td>
<td>.00</td>
<td>.13</td>
<td>.04</td>
<td>.18</td>
<td>.12</td>
<td>.12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. San Francisco</td>
<td>.013</td>
<td>.11</td>
<td>.10</td>
<td>.06</td>
<td>.02</td>
<td>.06</td>
<td>.16</td>
<td>.03</td>
<td>.04</td>
<td>.05</td>
<td>.06</td>
<td>.01</td>
<td>.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Prone (focal firm)‡</td>
<td>.108</td>
<td>.31</td>
<td>.07</td>
<td>.17</td>
<td>.09</td>
<td>.02</td>
<td>.05</td>
<td>.05</td>
<td>.05</td>
<td>.13</td>
<td>.10</td>
<td>.09</td>
<td>.17</td>
<td>.14</td>
<td>.09</td>
<td>.03</td>
<td>.05</td>
<td>.12</td>
</tr>
<tr>
<td>16. Resistant (focal firm)‡</td>
<td>.133</td>
<td>.34</td>
<td>.04</td>
<td>.15</td>
<td>.18</td>
<td>.09</td>
<td>.11</td>
<td>.05</td>
<td>.15</td>
<td>.12</td>
<td>.21</td>
<td>.14</td>
<td>.03</td>
<td>.08</td>
<td>.05</td>
<td>.05</td>
<td>.12</td>
<td></td>
</tr>
<tr>
<td>17. CSR score (focal firm)‡</td>
<td>.519</td>
<td>.89</td>
<td>.25</td>
<td>.27</td>
<td>.22</td>
<td>.10</td>
<td>.01</td>
<td>.07</td>
<td>.04</td>
<td>.31</td>
<td>.22</td>
<td>.10</td>
<td>.34</td>
<td>.10</td>
<td>.06</td>
<td>.15</td>
<td>.20</td>
<td>.08</td>
</tr>
</tbody>
</table>

* Correlations greater than .13 are significant at the .05 level.
† Variable used in the models is time-varying, rather than the dummy variable used in the correlation matrix.
‡ Variable used in the models pertains to a prior adopter in the influence set, not the focal firm in the risk set.
Table 2
Heterogeneous Diffusion Models Predicting Hazard of Adopting Domestic Partner Benefits among Mainstream Fortune 500 Companies, 1990–2005*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2†</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Propensity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>−12.723***</td>
<td>−5.142***</td>
<td>−12.218***</td>
<td>−12.321***</td>
<td>−12.833***</td>
</tr>
<tr>
<td>(2.566)</td>
<td>(0.614)</td>
<td>(2.324)</td>
<td>(1.866)</td>
<td>(2.599)</td>
<td></td>
</tr>
<tr>
<td>Activist group</td>
<td>−1.050</td>
<td>0.413</td>
<td>−1.171</td>
<td>−1.092</td>
<td>−1.084</td>
</tr>
<tr>
<td>(2.247)</td>
<td>(0.323)</td>
<td>(1.993)</td>
<td>(2.314)</td>
<td>(2.209)</td>
<td></td>
</tr>
<tr>
<td>ln(assets)</td>
<td>0.682**</td>
<td>0.024</td>
<td>0.663**</td>
<td>0.707**</td>
<td>0.690**</td>
</tr>
<tr>
<td>(0.236)</td>
<td>(0.049)</td>
<td>(0.213)</td>
<td>(0.170)</td>
<td>(0.240)</td>
<td></td>
</tr>
<tr>
<td>ln(eligibles)</td>
<td>0.003</td>
<td>−0.084</td>
<td>−0.008</td>
<td>−0.023</td>
<td>0.004</td>
</tr>
<tr>
<td>(0.234)</td>
<td>(0.076)</td>
<td>(0.213)</td>
<td>(0.155)</td>
<td>(0.235)</td>
<td></td>
</tr>
<tr>
<td>Human capital industries</td>
<td>0.599</td>
<td>0.423*</td>
<td>0.581</td>
<td>0.411</td>
<td>0.572</td>
</tr>
<tr>
<td>(0.821)</td>
<td>(0.189)</td>
<td>(0.705)</td>
<td>(0.523)</td>
<td>(0.830)</td>
<td></td>
</tr>
<tr>
<td>GLBT city</td>
<td>0.975</td>
<td>0.232</td>
<td>0.879</td>
<td>1.256**</td>
<td>0.983</td>
</tr>
<tr>
<td>(0.714)</td>
<td>(0.264)</td>
<td>(0.643)</td>
<td>(0.433)</td>
<td>(0.721)</td>
<td></td>
</tr>
<tr>
<td>Democratic donations</td>
<td>1.346</td>
<td>0.229</td>
<td>1.049</td>
<td>1.774</td>
<td>1.412</td>
</tr>
<tr>
<td>(1.948)</td>
<td>(0.548)</td>
<td>(1.703)</td>
<td>(1.428)</td>
<td>(1.959)</td>
<td></td>
</tr>
<tr>
<td><strong>Susceptibility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>−5.917***</td>
<td>−2.794***</td>
<td>−5.788***</td>
<td>−6.637***</td>
<td>−5.885***</td>
</tr>
<tr>
<td>(0.583)</td>
<td>(0.556)</td>
<td>(0.615)</td>
<td>(1.078)</td>
<td>(0.598)</td>
<td></td>
</tr>
<tr>
<td>Activist group</td>
<td>1.053***</td>
<td>1.121***</td>
<td>1.079***</td>
<td>0.998***</td>
<td>1.064***</td>
</tr>
<tr>
<td>(0.219)</td>
<td>(0.324)</td>
<td>(0.225)</td>
<td>(0.212)</td>
<td>(0.219)</td>
<td></td>
</tr>
<tr>
<td>Benchmark centrality</td>
<td>0.054</td>
<td>0.029</td>
<td>0.046</td>
<td>0.039</td>
<td>0.052</td>
</tr>
<tr>
<td>(0.029)</td>
<td>(0.027)</td>
<td>(0.030)</td>
<td>(0.032)</td>
<td>(0.031)</td>
<td></td>
</tr>
<tr>
<td>Interlock centrality</td>
<td>0.041</td>
<td>0.062</td>
<td>0.065</td>
<td>0.040</td>
<td>0.040</td>
</tr>
<tr>
<td>(0.022)</td>
<td>(0.040)</td>
<td>(0.022)</td>
<td>(0.021)</td>
<td>(0.022)</td>
<td></td>
</tr>
<tr>
<td>Best co. to work for</td>
<td>0.305</td>
<td>0.054</td>
<td>0.284</td>
<td>0.101</td>
<td>0.314</td>
</tr>
<tr>
<td>(0.205)</td>
<td>(0.487)</td>
<td>(0.208)</td>
<td>(0.202)</td>
<td>(0.205)</td>
<td></td>
</tr>
<tr>
<td>Cash flow</td>
<td>0.214</td>
<td>−0.251</td>
<td>0.207</td>
<td>0.170</td>
<td>0.217</td>
</tr>
<tr>
<td>(0.164)</td>
<td>(0.601)</td>
<td>(0.170)</td>
<td>(0.182)</td>
<td>(0.163)</td>
<td></td>
</tr>
<tr>
<td>Unionization</td>
<td>−0.002</td>
<td>0.002</td>
<td>−0.002</td>
<td>−0.003</td>
<td>−0.002</td>
</tr>
<tr>
<td>(0.004)</td>
<td>(0.007)</td>
<td>(0.004)</td>
<td>(0.004)</td>
<td>(0.004)</td>
<td></td>
</tr>
<tr>
<td>Opportunity structure for activism</td>
<td>0.120***</td>
<td>0.005</td>
<td>0.013***</td>
<td>0.016***</td>
<td>0.012**</td>
</tr>
<tr>
<td>(0.004)</td>
<td>(0.008)</td>
<td>(0.004)</td>
<td>(0.004)</td>
<td>(0.004)</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>0.855*</td>
<td>0.694</td>
<td>0.837</td>
<td>0.863</td>
<td>0.847*</td>
</tr>
<tr>
<td>(0.420)</td>
<td>(1.010)</td>
<td>(0.432)</td>
<td>(0.448)</td>
<td>(0.420)</td>
<td></td>
</tr>
<tr>
<td><strong>Infectiousness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prone alter</td>
<td>0.266</td>
<td>0.157</td>
<td></td>
<td></td>
<td>0.304</td>
</tr>
<tr>
<td>(0.419)</td>
<td>(0.170)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resistant alter</td>
<td>1.011***</td>
<td>0.642*</td>
<td></td>
<td></td>
<td>0.987</td>
</tr>
<tr>
<td>(0.272)</td>
<td>(0.256)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSR score of alter</td>
<td>−0.931***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(0.292)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunity structure of alter</td>
<td>0.039*</td>
<td></td>
<td></td>
<td></td>
<td>0.027</td>
</tr>
<tr>
<td>(0.018)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social proximity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmark centrality</td>
<td>0.134</td>
<td>0.119*</td>
<td>0.112</td>
<td>0.094</td>
<td>0.116</td>
</tr>
<tr>
<td>(0.084)</td>
<td>(0.045)</td>
<td>(0.072)</td>
<td>(0.056)</td>
<td>(0.082)</td>
<td></td>
</tr>
<tr>
<td>Same industry‡</td>
<td>0.851</td>
<td>0.416</td>
<td>0.547</td>
<td>0.688</td>
<td>0.829</td>
</tr>
<tr>
<td>(0.468)</td>
<td>(0.372)</td>
<td>(0.456)</td>
<td>(0.495)</td>
<td>(0.457)</td>
<td></td>
</tr>
<tr>
<td>Same region‡</td>
<td>1.141**</td>
<td>0.154</td>
<td>1.244***</td>
<td>1.290***</td>
<td>1.154**</td>
</tr>
<tr>
<td>(0.357)</td>
<td>(0.375)</td>
<td>(0.381)</td>
<td>(0.378)</td>
<td>(0.352)</td>
<td></td>
</tr>
<tr>
<td>Interlock network</td>
<td>−0.139</td>
<td>−0.052</td>
<td>−0.093</td>
<td>−0.222</td>
<td>−0.020</td>
</tr>
<tr>
<td>(0.637)</td>
<td>(0.381)</td>
<td>(0.649)</td>
<td>(0.721)</td>
<td>(0.602)</td>
<td></td>
</tr>
<tr>
<td>Activist group network</td>
<td>0.354</td>
<td>0.081</td>
<td>0.102</td>
<td>0.083</td>
<td>0.269</td>
</tr>
<tr>
<td>(1.309)</td>
<td>(0.867)</td>
<td>(1.648)</td>
<td>(1.355)</td>
<td>(1.295)</td>
<td></td>
</tr>
<tr>
<td>Benchmark network</td>
<td>3.190***</td>
<td>3.492***</td>
<td>3.668***</td>
<td>3.274***</td>
<td></td>
</tr>
<tr>
<td>(0.493)</td>
<td>(0.539)</td>
<td>(0.545)</td>
<td>(0.498)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chi-squared</td>
<td>302.53</td>
<td>195.38</td>
<td>299.76</td>
<td>299.08</td>
<td>307.06</td>
</tr>
<tr>
<td>D.f.</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

* p < .05; ** p < .01; *** p < .001.

* Standard errors are in parentheses. N = 306 for models 1, 3, 4, and 5, and N = 266 for model 2.
† Benchmark contagion model. See methods section for further discussion.
‡ Coefficient signs were reversed on this variable to facilitate interpretation; a positive coefficient indicates stronger contagion between more similar firms.
§ The baseline model excludes infectiousness vector variables; baseline chi-squared is 294.71 (d.f. = 22) for models 1, 3, 4, and 5, and 189.24 (d.f. = 21) for model 2.

481/ASQ, September 2008
our composite index for the prior adopter’s opportunity structure for activism.

Many of the controls in table 2 bear mentioning. The social proximity vector results show that the benchmarking network is strongly and significantly related to adoption. If a prior adopter is within the focal firm’s benchmarking network, its influence on the focal firm is multiplied by a factor of nearly 25 (24.288). The interlock network is not associated with adoption when modeled in the presence of the benchmarking network, but when entered in the absence of the other social proximity measures, interlocks do exhibit a significant influence on adoption (models available from the authors). The activist-group network does not show any significant influence on adoption. Proximity measures capturing industry, region, and benchmarking centrality are also all significant in one or more of the models shown in table 2.

Several firm characteristics used as controls on the focal firm’s hazard of adoption are significant. Direct propensity to adopt domestic partner benefits rises with asset size, while susceptibility to prior adopters increases with benchmark centrality, interlock centrality, and employment concentrated in the San Francisco area. The opportunity structure for activism also powerfully increases susceptibility to prior adopters. A more favorable opportunity structure, reflected in a one-standard-deviation increase in this score, is associated with a 1.39 times increase in susceptibility. Note that the opportunity structure for activism incorporates elements of other control variables (listed in Appendix B), and its presence absorbs the significance of some other controls shown in table 2.

These results support our argument. Activism-resistant adopters influence mainstream adoption of domestic partner benefits among the Fortune 500, but activism-prone adopters do not. We also found that employee activist groups play different roles depending on companies’ orientation toward activism. Rather than driving adoption directly, as activist groups do in activism-prone firms, among mainstream companies, these groups heighten the effect of adoption by other companies in the firms’ environment. These findings are robust to alternative explanations, measures, and model specifications.

**DISCUSSION**

Despite having established an unassailable reputation as an anti-communist crusader earlier in his career, President Nixon defied a generation-long edict against direct dealings with the communist government of China when he announced in the winter of 1972 that he would travel to China with the goal of reestablishing diplomatic relations. In doing so, Nixon did not diminish his anti-communist credentials, nor did he forge a fundamental shift in political identities more broadly. Rather, his action forced those around him to reassess one particular behavior that had come to be associated with a hawkish Cold-War political identity: maintaining diplomatic distance from China’s communist government in favor of exclusive recognition of the exiled government in Taiwan. Nixon’s action made it possible for hawkish anti-communists to later
engage communists in dialogue and yet still identify themselves as anti-communists.

The Nixon-in-China effect opens up an important insight into how social movement goals become disassociated from the movement that produces them. It suggests that although institutionalization may be a process marked by sustained contention (Davis and McAdam, 2000; Schneiberg and Soule, 2005), processes of diffusion can substantially further the process. More than victories won from highly prominent yet activism-prone organizations, the accumulation of activism-resistant adoptions may drive the process of diffusion into the mainstream and, eventually, toward institutionalization.

Our argument refines the standard account of the link between social movement advocacy and the adoption of advocated practices by the mainstream. Activists target prominent organizations because they are viewed as thought leaders by subsequent adopters (Strang and Soule, 1998; McAdam and Scott, 2005; Rao, Morrill, and Zald, 2000; Rojas, 2006). Yet the impact of prominence is diminished when observing firms come to see those companies as easy targets. Strang and Meyer (1993) observed that the linkages among organizations across which practices diffuse are cultural as well as relational. Prominence, in other words, is not enough. Our findings show that, in the context of contentious practices, structure needs to be coupled with identity to drive diffusion into the mainstream population. This helps to explain how social movements break away from localized protest to achieve the goal of institutionalizing practices in the mainstream of society (Giugni, 1998). Consistent with McAdam (2003), we found that activists helped to transfer the movement to more resistant parts of the organizational field but that their tactics evolve over time. Activists initially appeal directly to organizational leaders based on fairness and consistency with publicly espoused values (Hunt, Benford, and Snow, 1994; Benford and Snow, 2000), but as the movement progresses into the mainstream, overt activism gives way to covert or unobtrusive tactics employing persuasion, and the rhetoric shifts from moral consistency to economic rationality (Benford, 1993; Chaves, 1999; Hoffman, 2001; Scully and Segal, 2002; Creed, Scully, and Austin, 2002; Lounsbury, Ventresca, and Hirsch, 2003). The Nixon-in-China effect is key to these efforts, as the diffusion pathway itself becomes a cultural resource (Stryker, 2003) that activists, their allies, and champions can use in making a case for change inside firms.

Bringing the argument full circle returns us to the paradoxical statement that widespread diffusion depends on fractured, not homogeneous, social space. Field-level politics play out in distributed space with no rules for resolution or agreement. Acceptance and institutionalization happen though an accumulation of unique acts of persuasion. It is in the fractures generated by contentious politics that the social context needed to make some acts seem surprising emerges. If the world were homogeneous, then the symbolic value of surprises, along with the opportunities for course adjustments they generate, would be in scarce supply.
The Nixon-in-China effect may not be limited to contentious practices. More generally, it suggests that the influence of prior adopters depends not solely on an adopter’s structural position but also on the identity of adopting firms. For instance, among the French chefs defecting from traditional to nouvelle cuisine (Rao, Monin, and Durand, 2003), those known to have resisted past changes most vociferously should provide the strongest evidence that a shift is underway. Similarly, in the spread of poison pill antitakeover defenses across companies during the 1980s (Davis, 1991), adoptions by firms with notably weak managers (or strong boards) might have signaled general legitimation of the practice to observers. In our own data, we found evidence that a company’s reputation for corporate social responsibility (CSR) triggered a similar effect. Robustness checks showed that the activism-resistance effects endure after controlling for additional practice-specific variables. But the findings also suggest that future research might profitably disaggregate the factors that contribute to the Nixon-in-China effect to deepen our understanding of the mechanism.

Our findings may help to explain why anticipated trickling-down (Abrahamson 1996) or rapid legitimization (Leblebici et al., 1991) does not always follow adoption by certain prestigious or central actors in a field (Coleman, Katz, and Menzel, 1966; Becker, 1970; Burns and Wholey, 1993; Haveman, 1993). Examples include high-performance work systems (Osterman, 2000), total quality management (Abrahamson and Fairchild, 1999), some corporate work-life benefits (Glass and Estes, 1997), and successful experiments in labor-management cooperation (Kochan and Osterman, 1994). We offer a contrast to Abrahamson’s (1996) description of a management fashion-setting community from which new practices diffuse to the mainstream. Our research suggests that advocates of a practice should consider a more strategic set of covert tactics (Morrill, Zald, and Rao, 2003) to target companies known to be intransigent toward fads or other forms of influence. These differences might be explained with the following scope condition on the Nixon-in-China effect: a practice must have sufficiently visible contentiousness or advocacy to activate the imputed identities and associated expectations of observers that underlie the effect. Then wider change follows only if and when the practice achieves a level of disassociation from its origins in a social movement or otherwise politically contentious milieu (see Massini, Lewin, and Greve, 2005, for a related model).

Consistent with Schneiberg and Soule’s (2005) characterization of institutionalization as a contested multilevel process and Ingram and Rao’s (2004: 449) statement that “social movements exploit different sources of institutional authority, thus creating political opportunities from the nuances of a multi-level, fragmented institutional framework,” our findings reveal one important way that political opportunities arise out of the fragmentation of the organizational field and how they lead to a surprising degree of substantive change among mainstream organizations. This pathway to change involves neither higher-level legitimation nor sustained contestation. Instead, it shows that the diffusion pathway itself becomes a
resource available to a movement’s participants as they seek to advance claims about the practice and to a movement’s targets as they assess those claims and decide on the appropriate course of action for their own organizations.

REFERENCES

Abrahamson, E.

Abrahamson, E., and G. Fairchild

Andrews, K. T.

Baron, D. P.

Benford, R. D.

Benford, R. D., and D. A. Snow

Bianco, A.
2001 “Exxon unleashed: How the world’s most powerful corporation plans to dominate the new age of oil exploration.” BusinessWeek, April 9.

Black, D. A., G. J. Gates, S. G. Sanders, and L. J. Taylor

Bonardi, J. P., and G. Keim

Buchholz, R.

Burns, L. R., and D. R. Wholey

Campbell, J. Y.

Casson, R. W.

Chaves, M.

Chen, C. C., and J. R. Meindl

Cialdini, R. B.

Coleman, J. S., E. Katz, and H. Menzel

Cowen, T., and D. Sutter

Creed, W. E. D., and M. A. Scully

Creed, W. E. D., M. A. Scully, and J. R. Austin

Cukierman, A., and M. Tommasi

Cyert, R. M., and J. G. March

Davis, G. F.

Davis, G. F., and H. R. Greve
Katzenstein, M. F.


Kochan, T. A., and P. Osterman

Krupat, K., and P. McCreery

King, B. G., M. Cornwall and E. C. Dahlen

Kochan, T. A., and P. Osterman

Krupat, K., and P. McCerey

Leblebici, H., G. R. Salancik, T. King, and A. Copay

Lippmann, W.

Locke, R. M., F. Qin, and A. Brause

Lounsbury, M.


Lounsbury, M., M. Ventresca, and P. M. Hirsch

Mandler, J. M.

March, J. G., and Z. Shapira

Massini, S., A. Y. Lewin, and H. R. Greve

Maxwell, J., P. Temin, and C. Watts

McAdam, D.


McAdam, D., and W. R. Scott

McAdam, D., S. Tarrow, and C. Tilly

McCammon, H. J., K. E. Campbell, E. M. Granberg, and C. Mowery

McCarty, J. D., and M. N. Zald

McCombs, M. E., E. F. Einsiedel, and D. H. Weaver

Meyer, D. S., and D. C. Minkoff

Meyer, D. S., and S. Staggenborg

Meyer, J. W., J. Boli, G. M. Thomas, and F. M. Ramirez

Meyerson, D. E., and M. A. Scully

Morrill, C., M. N. Zald, and H. Rao

Mouawad, J.


Rothaus, S. 2000 “Big 3 decision called sign of a new attitude toward gays.” Miami Herald, July 4: 2E.


APPENDIX A: Coding Corporate Orientation toward Activism

We used a content analysis of major newspapers and magazine articles from the years 1985 to 2005 to measure activism orientation. Our approach, based on similar efforts such as Hayward and Hambrick (1997) and Deephouse (1996), assumes that orientation toward activism is most likely to crystallize in the minds of corporate observers through reading newspaper or magazine articles or through available information that gets reflected in those articles.

We used the Lexis-Nexis Major Newspaper database to compile a list of articles on activist activity targeted at companies. We searched for all articles based on similar efforts such as Hayward and Hambrick (1997) and Deephouse (1996), assumes that orientation toward activism is most likely to crystallize in the minds of corporate observers through reading newspaper or magazine articles or through available information that gets reflected in those articles.

We included (1) articles referring to social-movement campaigns that were not national or international in scope and (2) articles that did not explicitly identify the corporations being targeted. We also excluded articles that (3) exclusively concerned shareholder activism unrelated to a larger social issue and (4) domestic labor-union organizing campaigns. The set of resulting social movement issues included animal testing, apartheid, Burma, climate change, and social movements in organizations and social movements: From hybrid corn to poison pills.” Annual Review of Sociology, 24: 265–290.


change, fur, rainforests, low-income housing loans, minority hiring, nuclear waste, slavery reparations, sweatshop labor, and women's rights. In some cases, more than one article covered the same instance of activism. In these cases, we retained the first article in the sorted list that met our filtering criteria. When a single article covered more than one firm, we coded it independently for each firm.

This produced a list of 195 articles that described a firm's response to an applicable social movement issue. The two authors independently coded each article to reflect the activism orientation of the firms mentioned. To be considered evidence of activism resistance, an article had to convey that either (1) among an initially targeted group, the firm in question was among the last to adopt the practice advocated by activists (or never adopted it), or (2) the firm proactively resisted activist demands. If an article reported that a firm was forced to change practices as a result of a shareholder resolution or court order, this did not disqualify it from being considered activism resistant. Evidence of activism proneness included either (1) the company was among the first in a targeted group of companies to agree to activists' demands on a particular issue, or (2) the article attributed the company's change in practices partly or wholly to activist group pressure. Erring on the side of caution, we did not code companies as activist prone if the media report included statements from company officials denying that their change was prompted by activists or corporate social responsibility.

Of 195 articles, 53 contained evidence showing companies to be activism resistant, and 43 contained evidence of companies' activism proneness. The descriptions of responses for the remaining firms were judged either to lack sufficient information or to lack sufficiently strong impressions to reasonably impute a resistant or prone identity for them. We also coded any discrepancies that arose between the two principle coders as neither resistant nor prone. To assess the reliability of our method, we asked two individuals who were not involved in the project to code a subsample of articles following the coding guidelines, yielding an effective interrater agreement rate of 95 percent. The findings were robust to several modifications in this coding scheme, including the use of additional keywords. Full details are available from the authors.
APPENDIX B

Weibull Model Predicting Employee Group Formation across Fortune 500 Firms*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate</th>
<th>Std. Error</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>5.463</td>
<td>(0.304)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>ln(assets)</td>
<td>0.189</td>
<td>(0.031)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>GLBT industry</td>
<td>0.101</td>
<td>(0.079)</td>
<td>.060</td>
</tr>
<tr>
<td>GLBT city</td>
<td>0.034</td>
<td>(0.057)</td>
<td></td>
</tr>
<tr>
<td>Best co. to work for</td>
<td>0.209</td>
<td>(0.060)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Unionization</td>
<td>-0.002</td>
<td>(0.002)</td>
<td></td>
</tr>
<tr>
<td>Acquisition</td>
<td>0.045</td>
<td>(0.090)</td>
<td></td>
</tr>
<tr>
<td>Benchmark centrality</td>
<td>0.016</td>
<td>(0.004)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Petroleum</td>
<td>0.284</td>
<td>(0.169)</td>
<td></td>
</tr>
<tr>
<td>Finance / real estate</td>
<td>0.417</td>
<td>(0.135)</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Durables</td>
<td>0.164</td>
<td>(0.107)</td>
<td></td>
</tr>
<tr>
<td>Food / tobacco</td>
<td>0.027</td>
<td>(0.116)</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>0.166</td>
<td>(0.268)</td>
<td></td>
</tr>
<tr>
<td>Capital goods</td>
<td>0.093</td>
<td>(0.120)</td>
<td></td>
</tr>
<tr>
<td>Transport</td>
<td>0.470</td>
<td>(0.279)</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>-0.235</td>
<td>(0.116)</td>
<td></td>
</tr>
<tr>
<td>Textiles / trade</td>
<td>-0.146</td>
<td>(0.121)</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>-0.209</td>
<td>(0.151)</td>
<td></td>
</tr>
<tr>
<td>Leisure</td>
<td>-0.146</td>
<td>(0.166)</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-0.132</td>
<td>(0.271)</td>
<td></td>
</tr>
</tbody>
</table>

* Standard errors are in parentheses. The missing industry category is basic industry.

* p < .05; ** p < .01; *** p < .001.