Do social movements improve corporate behavior?

…Maybe

Mary-Hunter McDonnell, JD PhD
Associate Professor of Management

marymcd@wharton.upenn.edu
Rising corporate-targeted activism is largely a result of disenchantment with public politics (Soule, 2009).

But a *working* regulatory system may be preferable.

Key question: how does private politics affect the likelihood of formal regulation?

- Corporate champions are necessary to achieve policy solutions.
- The ease of engaging in firm-targeted movements may decrease the likelihood of the persistent mobilization that would be necessary to achieve comprehensive reform.

Are we better off using private or public politics?
Movements’ Breadth of Impact depends on *how* they engage

- Research tends to focus on contentious activism

- Concessions won from contention are less likely to lead to voluntary reforms from non-targeted organizations
  - (Briscoe, Gupta & Anner, 2015: studying diffusion of anti-sweatshop supplier sanctioning practices)

- SMOs’ increasingly use collaborative tactics
  - (McDonnell, Odziemkowska, Pontikes, 2021; Odziemkowska, WP).

- Collaborating may be better for fostering field-wide reform, but it risks SMOs’ reputations.
Illustration:
Shifts in SMOs’ Tactical Repertoires around the 2010 BP Oil Spill

Movements’ willingness to collaborate requires a baseline amount of trust and a fair appetite for risk.

Source: McDonnell, Odziemkowska & Pontikes, 2021
What is *your* definition of CSR?

- Activism problematizes corporate values, but movements address politically contested issues (McDonnell & Cobb, 2020)
  - Contested issues provoke impassioned, oppositional responses along ideological fault lines.

Illustration: Disney was boycotted in 1995 for extending health benefits to the partners of gay employees, while United Airlines was targeted in 1997 for not offering the same benefits.

- Liberals and conservatives are unlikely to agree about what counts as an *improvement* in CSR.

Whether or not you believe movements *improve* CSR depends on whether or not you believe that movements’ claims are *correct*. 
Trends in Ideological Orientation of Anti-Corporate Activism (McDonnell & Darnell, 2021)

Total Progressive Boycotts by Election Cycle

Total Conservative Boycotts by Election Cycle

Source: McDonnell & Darnell, WP
How movements shape corporate practices depends on the ideology of key stakeholders

Predicted likelihood of firm concession to boycotts, 1990-2008

Source: McDonnell & Darnell, WP; see also Briscoe, Chin & Hambrick, 2014
Suggested Future Research Questions

• What movement strategies maximize field-level reform?
  • How should movements select their targets (for contentious or collaborative engagements) if this is their goal?

• What companies make the safest and most effective partners for collaboration?
  • How can SMOs protect themselves when using their collaborative repertoire?

• How are movement outcomes affected by increasing political polarization?
  • Are companies’ performances of CSR likely to be ideologically consistent?