

Do Social Movements Improve Corporate Behaviors?

NO

Northwestern | Kellogg

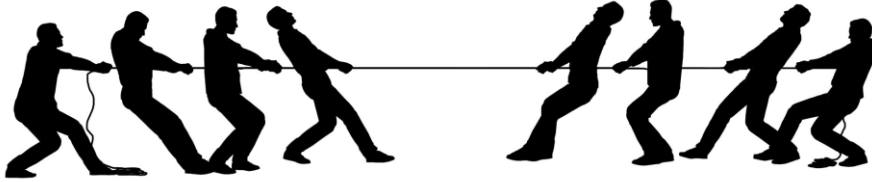
Impact of social movements on corporations

- 25% of boycotts that receive national media attention concede to activists demands (King 2008)
- Widespread employee innovations, such as adoption of same sex domestic partner benefits, began due to employee activism (Briscoe and Safford 2008)
- Shareholder activism leads to increases in perceptions of environmental risk and weaker financial performance (Vasi and King 2012)
- Protest leads to a decline on corporate stock prices (King and Soule 2007)
- Boycotted companies do more prosocial activity (McDonnell and King 2012) and are more likely to support boycotts of other companies (McDonnell 2016)



One of the primary reasons that companies respond to activists is **fear of reputational damage**

Northwestern | Kellogg



Impression management
Decoupled adoption

Substantive engagement
Coupled adoption

Meyer and Rowan 1977; Ashforth and Gibbs 1990; Elsbach 1994; Westphal and Zajac 1998;
Westphal and Graebner 2010; Bednar 2012; McDonnell and King 2013; Kim and Lyon 2014;
Marquis, Toffel, and Zhou 2016

Northwestern | Kellogg

Social movement influence too often leads to symbolic corporate gestures

“Woke-Washing” Your Company Won’t Cut It

by Erin Dowell and Marlette Jackson



Northwestern | Kellogg

The BIG problems can't be solved one firm at a time

- Problems are systemic (e.g., climate change)
- Firms seek to differentiate, leading to scattered implementation of new norms
- Collective action problems among organizations
 - Racing to the bottom
 - Incentives to cooperate?
- NGOs and other activist groups have limited abilities to monitor (Bartley, 2018)
- Transnational certification systems can't be enforced easily
- Activists themselves aren't well-coordinated

Is there hope for movements?

- Social movement-led change tends to be very incremental
 - Agenda-shaping rather than transformative change
- Movements need the power of a third-party (the state?) to regulate and enforce
- Movements rely on key allies (in organizations/governments) to accomplish their agenda



What's next on the research front?

- Under what conditions do activists' agendas become implemented in organizational practices?
- What can activists do to make “weak states” strong?
- How do social movements convert employees to become allies in their efforts to transform organizational practices?