ACTIVIST ATTACK STRATEGIES

by

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(Under the Direction of Allen C. Amason)

ABSTRACT

This dissertation inductively conceptualizes how activist organizations engage in non-traditional rivalry with firms. Using cluster and qualitative analysis of 778 such attacks as an inferential base, I identify three distinct activist attack strategies (political, public, and private pressure); explain the disruptive effects of these strategies on corporate resources; and propose activist legitimacy, experience, and organizational coupling shape the use of these strategies. These concepts and propositions represent a conceptual framework that informs research on inter-organizational competition and offers implications for practice.

INDEX WORDS: Activists, Stakeholders, Non-Governmental Organizations, Attack
                 Strategies, Competitive Dynamics, Non-Traditional Competitive Actions,
                 Non-Traditional Rivalry, Firm Targets, and Social Issues

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DEDICATION

I would like to dedicate this dissertation to my parents, Ted and Gloria Waldron, and my fiancé, Kristin Slusne. They listened to and provided feedback on my ideas; offered invaluable support; kept me grounded in reality; and recognized there was always a "light at the end of the tunnel." I am eternally grateful and indebted for their time, help, and perseverance during the completion of my coursework, comprehensive exams, and dissertation. This achievement would not have been possible without them.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1

Introduction

Over the last decade, Stop Huntingdon Animal Cruelty (SHAC), an animal-rights activist

organization, has attacked Huntingdon Life Sciences for conducting experiments on animals (see

Table 1). For instance, SHAC conducted demonstrations at HLS facilities to decry such

experiments. Additionally, SHAC published the personal information of an HLS lab technician,

which resulted in attacks on that individual's financial credit. SHAC also pressured HLS

through attacks on its business partners. The directors of West LB Panmure – an HLS brokerage

firms – encountered protests by SHAC at their homes. SHAC supplemented these actions by

infiltrating a West LB Panmure party, harassing guests, and destroying property.

SHAC's campaign devastated HLS's resources and operations. Protests occupied the

attention and productivity of top management. Acts of violence demolished employees'

perceptions of workplace safety. Aggression also repelled HLS's business partners. West LB

Panmure ceased its relationship with HLS. Numerous suppliers (Daiichi Sankyo), financiers

(Bank of New York; Stephens, Inc.), brokerage firms (Charles Schwab Corp., Winterflood, and

TD Waterhouse), and consumers (Glaxo, Smith, Kline and Eli Lilly) also severed ties with HLS.

Overall, SHAC's campaign collapsed HLS's share price, forced it to delist from the London

Stock Exchange, and discouraged the New York Stock Exchange from listing its stock.

SHAC and other activists receive consideration under diverse theoretical lenses (e.g.,

institutions, stakeholders, and social movements) and labels, such as secondary stakeholders

(Savage, Nix, Carlton, & Blair, 1991), stakeholder groups (Rowley, 1997), non-market players

(Baron, 1995), non-governmental organizations (Teegen, Doh, & Vachani, 2004), and social movement organizations (McCarthy & Zald, 1977). I refer to these entities as activists, and focus on those that operate as (semi-) formal, independent organizations; consist of members that identify with the organization (Rowley & Moldoveanu, 2003); and champion social objectives (Rehbein, Waddock, & Graves, 2004). Examples include SHAC, People for the Ethical Treatment of Animals (PETA), Greenpeace, Earth First, ACT UP, the Earth Liberation Front (ELF), Mothers Against Drunk Driving (MADD), Oxfam, and Global Witness.

As the actions of SHAC exemplified, many activists attempt to control corporate behavior through disruptive attacks. These attacks take forms different from those employed in inter-firm competition. Firms enact price cuts, product proliferation, and promotional campaigns, while activists leverage media channels, government systems, and even direct pressure. Firms' preoccupation with competition and activists' use of unorthodox actions allow activists to disrupt and ultimately to alter firms' resources and operations, despite severe resource disadvantages (den Hond & de Bakker, 2007). For instance, Citi and Home Depot succumbed to the demands of the Rainforest Action Network (RAN), an organization with 30 employees and a two-million-dollar annual budget. As RAN's successes illustrate, activists pose a rapidly intensifying and disruptive threat to firms (Doh, 2003; Kellow, 1999; King & Soule, 2007; Powell & Steinberg, 2006; Yaziji 2004).

The control of corporate operations through aggression also represents a service that activists *unofficially* exchange for desired resources (Baron, 2001, 2003; Baron & Diermeier, 2007), such as human, financial, and reputational capital. Activists identify target markets for this unique offering, and use attacks on firms as a means to create value for, to demonstrate organizational utility to, and to garner resources from those markets. These markets consist of

2

individuals, groups, and organizations that hold interest in, call for, and benefit from the control of corporate behavior. Most activists do not assess monetary fees for serving focal markets; instead, these organizations call for donations, volunteers, and employees to sustain, grow, and enhance future services. Since firms covet the same resources as activists (albeit through different actions), activists must compete with each other and firms in factor markets for assets that support organizational survival and growth. Activist attacks that disrupt and alter corporate operations therefore represent *non-traditional competitive actions,* and mark the instigation of *non-traditional rivalry*.

Research has only begun to address the role of activists in non-traditional rivalry. Some scholars predicted general, collective action against firms (King, 2008; Rowley & Moldoneavu, 2003) and types of firm targets (Rehbein, Waddock, & Graves, 2004; Yaziji & Doh, 2009). Others explicated and predicted the specific tactics and strategies that activists use against firms (den Hond & de Bakker, 2007; Friedman, 1999; Frooman, 1999; Manheim, 2001; Yaziji & Doh, 2009). Most of these studies, however, deduced frameworks from a narrow set of theoretical paradigms (i.e., stakeholders, institutions, and social movements), ignored the *competitive* nature of activist aggression toward firms, and offered idiosyncratic nomenclatures, variables, and conceptualizations of this phenomenon. A collection of disparate theories provides unclear information on the tactics and strategies that activists use against firms, and thus hinders basic comprehension of an unexpected form of rivalry. Accordingly, it is important to develop clearer theoretical comprehension of *how* activists participate in non-traditional rivalry. I interchangeably utilize the terms 'non-traditional rivalry', 'non-traditional competitive actions', and 'attacks on firms' throughout the dissertation.

This purpose of this dissertation is to identify, explain, and predict the attack strategies – collections of characteristically similar attacks through functionally related tactics – that activists leverage in non-traditional rivalry. I develop a conceptual framework that identifies activist attack strategies; explains how these strategies disrupt corporate operations and enable competition for resources; and predicts activist strategic tendencies. A derivation of inductive theory building – the inference of concept from data analysis – provides the means to build this framework. This approach tightly couples theory building with an approximation of reality, marginalizes the idiosyncrasies of existing deductive research, and facilitates the construction of an academically and practically relevant conceptual framework. Focus on data, however, does not require the complete dismissal of existing research. Analysis of the data highlights conceptual commonalities between studies, and creates opportunities for existing research to inform emergent theorization. This process fuses inductively built and extant concepts to explicate and predict activist attack strategies.

The inductive methodology in this dissertation draws heavily from competitive dynamics theory. Competitive dynamics explores *traditional rivalry* in product markets (Chen, 1996; Chen & Macmillan, 1992; Smith, Grimm, Chen, & Gannon, 1989; Smith, Grimm, & Gannon, 1992) and factor markets (Capron & Chatain, 2008; Markman, Gianiodis, & Buchholtz, 2009). Researchers view firms as rational actors that maximize competitive advantage and performance through purposeful, competitive actions, examine the types and characteristics of competitive activity, and uncover relationships between such activity and firm performance. Superficial dissimilarities, such as different peers, offerings, tactics, strategies, and outcomes, hide deeper similarity between activists and firms: namely, activists also are rational organizations that maximize resource inflows through purposeful, competitive actions.

4

Given the commonality between activists and firms, my methodology applies relevant assumptions and approaches from competitive dynamics theory to conceptualize activist attack strategies. First, I maintain that activists are rational, and seek resources in exchange for a distinct service: the control corporate resources through destructive attacks. Such attacks not only illustrate an offering to activists' target markets, but also represent a non-traditional competitive action through which activists compete for and procure human, financial, and reputational capital. Second, I treat individual activist attacks as observable indicators of latent attack strategies. Third, I propose such attacks hold inherent characteristics. Attacks with similar characteristics manifest through functionally related tactics, perform a similar function, and represent a common attack strategy. Finally, I suggest activists – like their attacks – hold inherent characteristics, and proffer these characteristics influence activist strategic tendencies.

The inductive methodology applies these assumptions and approaches to conceptualize and predict (the use of) activist strategies (Table 2). A review of literature on activist aggression, discussion of research limitations, and background on inductive theory building explains and justifies the use of induction. Given its premium on observation and inference, inductive theory building primarily relies on data analysis – rather than existing research – to ground the development of concepts and theory. Brief descriptions of 778 activist attacks on firms serve as the analytical and inferential base for this dissertation; each description serves as a mini case, and communicates the activist(s), firm(s), and tactic involved in one attack. Cluster analysis uses three attack characteristics to segment this sample of attacks into five characteristically homogeneous groups. Qualitative analysis of these groups uncovers *intra*-group tactical themes, identifies *inter*-group tactical commonalities, and supports the conceptual consolidation of the

five attack groups into three meta-groups. These meta-groups represent three latent attack strategies: public, private, and political pressure.

My conceptual framework defines these strategies and explains the consequence of each for corporate resources. Private pressure refers to direct attacks on corporate resources through two sub-strategies: violent and non-violent private pressure. Violent private pressure concerns the assault and battery of corporate employees, or acts of property destruction. Non-violent private pressure involves the bombardment of corporate executives with demands and threats through letter-writing campaigns, emails, and face-to-face meetings. It also includes efforts to disrupt transactional relationship between firms and primary stakeholders through boycotts, buycotts, and shareholder proposals. Political pressure concerns attacks through government systems that regulate corporate operations. Public pressure refers to attacks through contemporary and traditional media outlets – blogs, websites, periodicals, and advertisements – that stigmatize firms and disrupt corporate reputation. This strategy also enables activists to promote the utility of attacks on firms for target markets, to call from support from these markets, and ultimately to vie for resources. My conceptual framework also offers a predictive component, which proposes an activist's legitimacy, experience, and organizational coupling influence its use of public, private, and political pressure (Figure 1). Such predictions are 'post-hoc', because my primary empirical analysis primarily focuses on uncovering attack strategies.

This dissertation primarily informs research on competition – namely, competitive dynamics. Competitive dynamics theory ignores activists, largely because these organizations appear and act differently than firms. Superficial dissimilarities, however, belie a deeper similarity: namely, activists and firms are both rational organizations that use purposeful actions to compete for resources and to maximize performance. Given this commonality, I use

6

assumptions from competitive dynamics research to guide the inductive study and theorization of activist aggression toward firms. For instance, I treat activists as rational actors; infer latent attack strategies from characteristics of individual activist attacks; and utilize characteristics of activist organizations to predict activist strategic tendencies. The use of a competitive dynamics lens to conceptualize and predict activist attack strategies specifies, explains, and predicts how activists participate in a relatively unexplored form of rivalry.

The study of non-traditional rivalry spotlights the generalizability of (research on) competition. Despite its portrayal in the competitive dynamics literature, competition is *not* exclusive to firms. The manifestation of competition between activists and firms indicates competition is multifaceted, involves diverse organizational forms, traverses operating contexts, and manifests through various tactics and strategies. Competitive dynamics research therefore must account for the antecedents, forms, and outcomes of atypical competitive engagements. Expanding the content of research on competition does not devalue the study of inter-*firm* rivalry; instead, it yields an enhanced discipline – *neo competitive dynamics* – that applies the assumptions, perspectives, approaches, and findings of competitive dynamics to study *all* forms of inter-*organizational* rivalry. Accordingly, the conceptual framework in this dissertation represents an attempt to enhance the depth and breadth of competitive dynamics theory.

The dissertation progresses as follows. Chapter 2 communicates research relevant to my purpose, discusses the limitations of such inquiry, and provides general information on the process of inductive theory building. Chapter 3 elaborates the role of competitive dynamics theory in my inductive methodology, unveils the specific form of induction used in this dissertation, and explains the foundation for this methodology: data collection and analysis. Chapter 4 discusses and explores the results of the data analysis, develops consequent inferences

from said results, and offers a foundation to conceptualize and predict activist attack strategies. Chapter 5 develops my conceptual framework from the results and inferences in Chapter 4. This framework identifies the attack strategies that activists leverage against firms, explains how these strategies influence corporate resources, and syncs these explanations with existing research. Using post-hoc qualitative analysis, the framework also predicts how three activist characteristics affect activist strategic tendencies. Finally, Chapter 6 discusses contributions to theory, practice, and future research.

TABLE 1
Examples of SHAC Assaults on HLS and its Partners

Year	Target	Relationship	Description
2000	Phillips and Drew	Investor	SHAC called in a hoax bomb threat to Phillips & Drew's London Office.
2000	HLS	-	Anonymous individuals, presumed to associate with SHAC, assaulted an HLS manager and broke three ribs.
2000	Natwest	Financier	Anonymous individuals, allegedly associated with SHAC, jammed Natwest's ATMs in Great Britain.
2000	Stephens, Inc.	Financier	SHAC created a website - StephensKills.com - to stigmatize the company.
2001	HLS	-	Anonymous individuals, presumed to hold associations with SHAC, vandalized an HLS lab employee's home in New Jersey and overturned his car.
2001	Stephens, Inc.	Financier	SHAC members flooded Stephens, Inc website, shutting it down for a number of hours.
2001	Bank of New York	Financier	Anonymous individuals, presumed to hold associations with SHAC, vandalized 13 branches and automated teller machines of the Bank of New York.
2001	HLS	-	SHAC raided Huntingdon's New Jersey lab and stole 14 beagles
2001	Bank of New York	Financier	10 SHAC animal-rights activists barricaded themselves inside a Bank of New York office in London.
2002	Marsh Inc	Broker	SHAC staged demonstrations outside the London offices of Marsh Inc. and its subsidiary Mercer and Co.
2003	Deloitte and Touche	Auditor	SHAC informed Deloitte and Touche that 'it would 'face the wrath of the animal rights movement worldwide.
2004	Aramark	Supplier	SHAC handed out anti-HLS leaflets to Aramark employees decrying the company's provision of food to HLS employees.
2004	Chris Hall	Supplier	SHAC exumed the remains of a guinea pig breeder's mother-in-law and mailed threatening letters to that individual. These letters claimed the remains would not be returned until he stopped breeding animals for HLS's experiments.
2004	Chiron Corp.	Customer	Anonymous individuals, allegedly associated with SHAC, pipe bombed Chiron Corp's campus in Emeryville, CA.
2004	Aramark	Supplier	SHAC conducted demonstrations at Aramark offices.
2006	GlaxoSmithKline	Customer	SHAC threatened to publish the personal details of elderly stakeholders of GlaxoSmithKline.
2007	GlaxoSmithKline	Customer	SHAC waged a campaign of harassment and intimidation against GlaxoSmithKline employees.
2009	Lancer UK	Supplier	SHAC sent fake bombs to washing machine supplier Lancer UK.
2009	Daiicho Sankyo	Supplier	Anonymous individuals, presumed to hold association with SHAC, threatened to stab a director of Daiichi Sankyo with a syringe containing HIV-infected blood.

TABLE 2
Process of Inductive Theory Building

Step	Description	Utility	Chapter
Research question	Identify a research question about a practically relevant, important phenomenon that existing theory and empirical findings do not adequately address.	Let reality rather than theoretical paradigms guide the purpose, relevance, and importance of the study.	1, 2
Brief scholarly background	Discuss research related to the research question and highlight the inability of such research to address this question. Explain the process of inductive theory building, offer examples, and explore its benefits.	Contextualize the phenomenon in terms of existing research.	2
Data collection and analysis	Collect data that approximates the phenomenon of interest. Analyze the data to uncover conceptual patterns within and across observations of the phenomenon.	Provide an approximation of reality to ground the forthcoming conceptualization of the phenomenon.	3
Results	Communicate the results of data analysis and make initial inferences from these results.	Couple the phenomenon with the forthcoming conceptualization of the phenomenon.	4
Theory building	Uncover and develop concepts relevant to the phenomenon of interest; uncover and develop causal mechanisms and relationships; and incorporate existing scholarly concepts.	Yield emergent conceptualization with practical and scholarly relevance and importance.	5
Discussion	Elaborate the multidisciplinary and practical contributions of emergent concepts and theorization.	Highlight the relevance and importance of the emergent conceptualization to existing theoretical paradigms and practice.	6
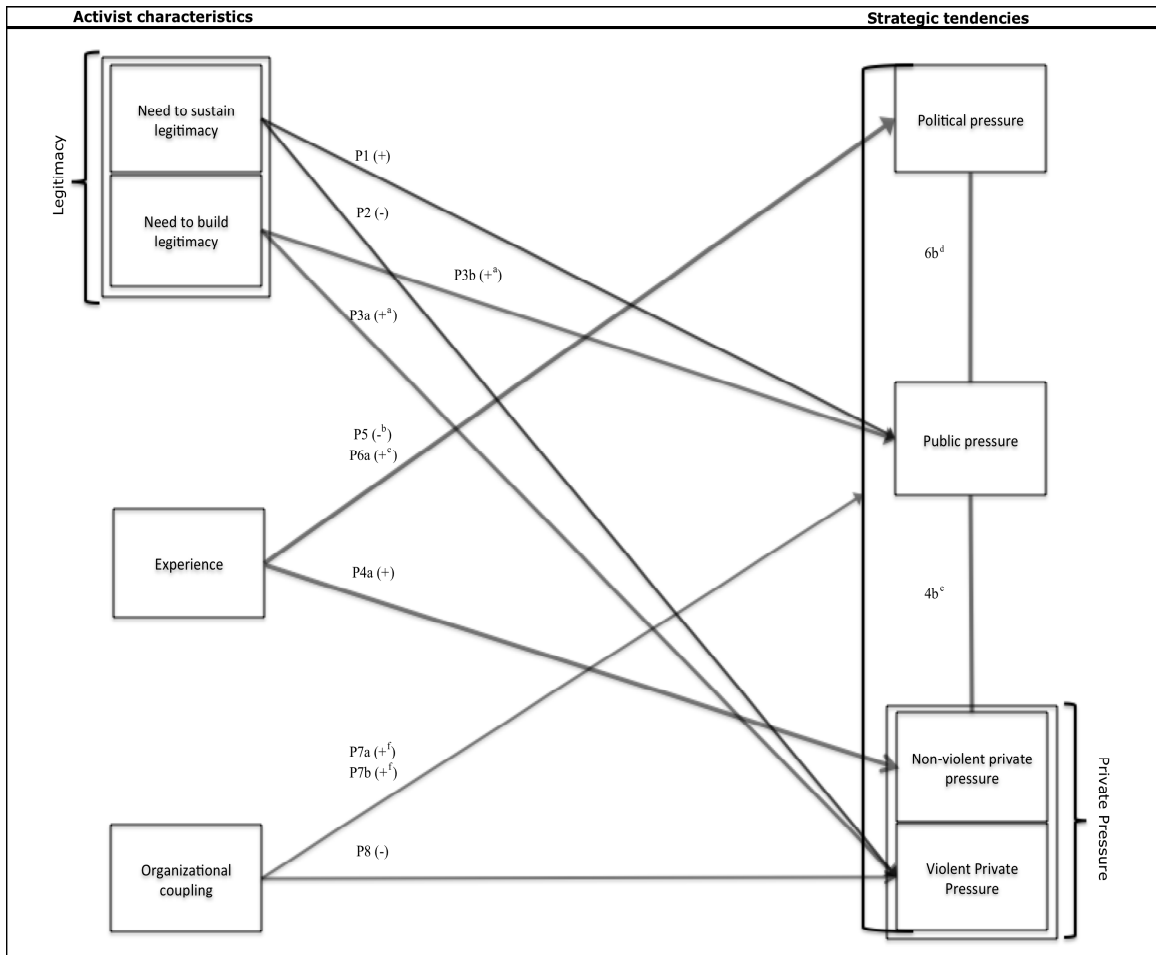
a. P3a and P3b suggest the need to build legitimacy positively relates with the *short-term* use of *covert* violent private pressure, and the *long-term* use of public pressure.

b. P5 suggests that, in general, experience negatively relates with the use of political pressure.

c. P6a, however, suggests that experience postitively relates with the use of political pressure, *particularly when targets are associated with salient social issues*.

d. 6b indicates that when activists use political pressure against issue-salient targets, they are more likely to complement this strategy with public pressure.

e. 4b indicates that experiences increases the likelihood that activists will complement non-violent private pressure with public pressure.

f. P7a and P7b suggest organizational coupling positively relates with activists' simultaneous use of different forms of a strategy and multiple attack strategies.

FIGURE 1
Predictive Component of Conceptual Framework

CHAPTER 2

Scholarly Context

Chapter introduction

Chapter 2 provides the scholarly context for my dissertation. First, I explore literature that addresses activists' participation in non-traditional rivalry with firms. Scholars from various disciplines studied activist mobilization against firms, the firm targets of activist attacks, and activist tactics and strategies for attacking firms. Endeavors that considered activist tactics and strategies were most relevant to my purpose, and therefore received the most attention. Second, I explicate a problem with accounts of *how* activists attack firms. Deductively contrived conceptualizations of activist tactics and strategies resulted in idiosyncratic accounts of how activists engage firms, and generally downplay the *competitive* utility of such attacks. This limitation begs the question, *how do activists engage in non-traditional rivalry (i.e., what attack strategies do activists use)*? Finally, I provide background on the inductive approach that I use to answer this question. This section explains the concept and versions of inductive theory building, and discusses when this methodology is appropriate. The inductive process overcomes the limitations of existing deductive research on activist attack strategies by grounding conceptual development in an approximation of reality. Greater detail on the specific inductive methodology of this dissertation resides in Chapter 3.

Research on activists' mobilization against firms

Scholars scrutinized broad societal movements against entire institutions, such as governments (Gamson, 1990; King, Cornwall, & Dahlin, 2005; McCarthy & Zald, 1977; Piven

& Cloward, 1971; Soule, McAdam, McCarthy, & Su, 1999; Soule & Ozak, 2004; Tilly, 1978).

Recent integration of such research with institutional, stakeholder, micro social movement, and

strategic management concepts enabled scholars to study activists' attempts to control corporate

behavior (Davis, 2005; Davis & Thompson, 1994; Davis, McAdam, Scott, & Zald, 2005). One

set of studies in this area predicted activists' general mobilization against firms (Rowley &

Moldoveanu, 2003; King, 2008). Rowley and Moldoveanu (2003) proposed member identities,

interests, and organizational memberships influence activist mobilization. King (2008)

suggested mobilizing structures, corporate opportunities, and framing processes drive activist

collective action (McAdam, McCarthy, & Zald, 1996). He further claimed organizational

strength, resource endowment, target firm and industry characteristics, member participation, and

efficiency rationale shape activist influence over firms. Studies on collective actions generally

did not focus on *how* activists attack firms, and thus did not merit additional attention.

Research on activists' targets

Another set of studies typified firms at risk for activist aggression. den Hond and de

Bakker (2007) proposed ideological radicalism influences the types of firms that activists attack,

particularly when attempting to change entire social fields. Radical activists are more likely to

engage proactive firms, while reformative activists are more likely to harass laggard firms.

Yaziji and Doh (2009) suggested activists are more likely to attack firms that offer potentially

controversial products; generate substantial negative externalities for society; hold market power;

operate in different ethical environments; use new technologies; represent controversial

institutions; or operate egregiously. Rehbein, Waddock, and Graves (2004) provided empirical

evidence that activists target large, visible companies with operations in controversial industries

(e.g., those with labor or community issues), problematic products, or environmentally

unfriendly value chains. Lenox and Eesley (2009) found the level of harm that activists threaten against firms increases as targets' emissions and assets grow, and decreases as targets' cash and cash flow decline. King and Soule (2007) found activists are less likely to influence the market value of firms that receive substantial media coverage. Finally, Hendry (2006) proposed (environmental) activists are more likely to target large, branded, consumer-facing firms that potentially harm the natural environment. Such studies generally did not consider activist tactics and strategies, and thus did not merit further discussion.

Research on activists' tactics and strategies

Of most relevance to this dissertation are studies that explicitly focused on and attempted to characterize the tactics and strategies that activists enact against firms. Frooman (1999) suggested activists employ resource-usage and resource-withdrawal strategies. Resource withholding occurs when activists choose not to allocate resources to a company. Resource usage manifests when activists allocate resources to firms, but heavily regulate the use of those resources. He also proposed activists utilize direct and indirect pathways-of-influence to enact these strategies. Direct pathways refer to attacks that occur without assistance from other players, while indirect pathways refer to attacks that unfold through primary stakeholders. Frooman (1999) argued activist-firm interdependence and power influence activists' use of resource withholding and usage strategies and direct and indirect pathways.

Using 28 interviews of four activist organization members, Hendry (2005) explored Frooman's (1999) propositions about influence strategies and pathways-of-influence. Her qualitative analysis of these interviews offered some level of support for Frooman's conceptualization. However, some of her data suggested Frooman's simple dichotomy was too parsimonious to capture all activist strategies or to account for activists' simultaneous use of

multiple strategies. She also argued the concurrent usage of direct-usage and resource-withholding strategies would reduce the effectiveness of both actions. Hendry (2005) provided a model that further segmented activist strategies into lobbying and non-lobbying campaigns, and suggested an activist's experience with, opportunities for, and benefit-cost ratio of particular strategies shaped its strategic choices.

den Hond and de Bakker (2007) suggested participatory dependence and intended outcome differentiate activist tactics. Participatory dependence concerns the number of people required for an attack to influence firm targets. Intended outcome refers to the desired effect of an attack on corporate operations, and includes symbolic and material damage and gain. According to den Hond and de Bakker (2007), ideological radicalism influences tactic selection, particularly during different stages of institutional change. The authors proposed radical and reformative activists employ symbolically destructive, non-participatory tactics when attempting to initiate influence over corporate activities. As conflicts with firms escalate, however, radical activists increasingly enact non-participatory tactics that inflict material damage, while reformative activists increasingly use participatory tactics that inflict symbolic damage.

Drawing from the Women's Christian Temperance Union's (WTCU) campaign against breweries, Hiatt, Sine, and Tolbert (2009) proposed activists use three tactics against firms: changing the normative environment, changing the cognitive environment, and changing the regulatory environment. Activists change normative environments through actions that alter the acceptability of certain corporate behaviors (e.g., the WCTU used speeches and parades to challenge the acceptability of alcohol consumption). Activists change cognitive environments through actions that provide "hard" evidence against certain corporate behaviors (e.g. the WCTU campaigned for the inclusion of temperance education in public schools). Finally, activists

change regulatory environments through actions that drive regulation of target firms (e.g., the WCTU supported anti-alcohol laws).

Yaziji and Doh (2009) argued activists use institutional and contra-institutional tactics against firms. Institutional tactics are those that depend on major institutions, such as government systems (e.g., lobbying legislators and filing lawsuits). These tactics are prevalent in "watchdog" campaigns where activists attempt to force corporate adherence to institutional standards. Contra-institutional tactics are those that diverge from institutional expectations (e.g., boycotts, civil disobedience, direct action, or property destruction). These tactics are prevalent in "proxy war" campaigns where activists attempt to change entire institutions through engagements with firms. According to Yaziji and Doh (2009), activists' ideological radicalism encourages proxy war campaigns through contra-institutional tactics, and decreases watchdog campaigns through institutional tactics.

Baron (2001, 2003) and Baron and Diermeier (2007) indicated that activists use public and private politics to attack firms. Public politics concerns activist actions that rely on government systems to influence firms (Baron & Diermeier, 2007). Conversely, private politics represent means through which activists "address situations of conflict with firms without reliance on the law or government" (Baron, 2003: pg. 34). According to Baron (2003), private politics includes competition between activists and firms for public support; boycotts by consumers; bargaining between activists and firms to resolve a conflict; and developing third-party organizations to monitor corporate behavior. Such actions rely on direct engagement with firms *and* the involvement of primary stakeholders and the public.

Finally, a subset of studies offers greater specificity on certain activist tactics. For instance, Friedman (1999) explored boycotts conducted by 24 animal-rights and environmental

activist organizations. This study largely provided an atomistic dissection of a one tactic – boycotts – leveraged by activists; communicated information on the growing prevalence of this tactic; and discussed the ways in which activists utilize it against firm targets. Manheim (2001) studied 162 labor-union actions against firms, as well as 32 (non-labor) activist campaigns against firms from 1989 to 1999. Strickland, Wiles, and Zenner (1996) suggested that activists utilize numerous tactics – boycotts, civil lawsuits, protests, letter-writing campaigns, and proxy votes (in annual meetings) – to engage firms.

Research limitations: Activists' tactics and strategies

Research on the attack strategies that activists use to enact non-traditional rivalry is relatively nascent. As the preceding section and Table 3 highlight, only a few studies identified and explained activist strategies, and only one treated these strategies as competitive mechanisms. Most of these studies deduced logic from existing research. Deduction is particularly effective when extensive, coherent theory and empirical evidence create a uniform platform for incremental conceptual development and hypothesis testing. Since no such platform existed to explain competitive, aggressive activist behavior, deduction produced disparate conceptualizations of activist attack strategies and introduced confusion about how non-traditional rivalry unfolds (cf. Locke, 2003). It is unclear which (combination) of the aforementioned studies provide valid, relevant, and useful information on activist attack strategies. Furthermore, there are no unimpeachable criteria to guide the deductive synthesis and enhancement of the fragmented extant scholarship. The absence of a clear explanation of activist strategies led me to ask, *how do activists engage in non-traditional rivalry (i.e., what strategies do activist use to attack firms)*?

Developing an answer to this research question is imperative. While activists and firms can and do cooperate (den Hond & de Bakker, 2007; Hendry, 2005, 2006; Yaziji & Doh, 2009), the prevalence, competitiveness, and destructiveness of attacks on firms drive the need for better understanding of activist attack strategies. The highly conceptual, fragmented state of research on these strategies, however, inhibits uniform comprehension of how activists assault firms, and subsequently prevents the accurate explanation, prediction, and contextualization of competitive engagements between activists and firms. Accordingly, clearer conceptualization – grounded in the empirical and qualitative analysis of actual activist attacks on firms – is necessary to defragment existing research, to identify and explain the strategies that activists leverage against firms, and to convey the implications of those strategies for corporate resources.

Inductive theory building: An overview of the methodology

Inductive theory building (i.e., induction) provided an ideal approach to accomplish this objective. Induction involves the inference of theory from the analysis of data (Eisenhardt, 1989; Glaser & Strauss, 1967; Locke, 2007), rather than the extrapolation of such logic from existing studies and theoretical paradigms. Inductive studies treat data – media reports, company documents, and interviews – as approximations of reality from which to induce explanations of important phenomena that existing theory and empirics do not sufficiently address. These studies produce *concepts* that illuminate why and how such phenomena occur (Eisenhart & Graebner, 2007), develop *predictions* about the phenomena (Eisenhardt, 1989; Locke, 2007), and weave emergent theorization and existing concepts into a transparent whole (Locke, 2007). Since inductive theory building is the natural inverse of deduction, inductive studies do not offer a priori theory, hypotheses, or empirical tests; instead, data collection and analysis precede, ground, and inform the development of concepts and propositions. As Locke (2007) reported,

renowned scholars, such as Aristotle, Newton, Galileo, and Einstein, utilized forms of inductive theory building to construct relevant, impactful logic.

Inductive studies are especially useful when existing research provides inadequate, untrue, or inconsistent answers to important research questions (Eisenhardt & Graebner, 2007), such as the one posed in this dissertation. Given its emphasis on a priori data collection and analysis, induction increases the connection between reality and theory (Eisenhardt, 1989; Perrow, 1986; Pfeffer, 1982). This connection allows scholars to break paradigmatic shackles; to identify and account for contradictory, inconsistent, or paradoxical evidence and research (Cameron & Quinn, 1988); and to develop non-contradictory, multidisciplinary conceptualizations (Locke, 2007). Inductive theory building thus produces relevant, measurable, testable, and valid concepts (e.g., activist attack strategies) and causal relationships (e.g., activist characteristics and strategy usage) that offer new and interesting practical and scholarly insights (Bartunek, 1988; Bartunek, Rynes, & Ireland, 2006; Glaser & Strauss, 1967). Although it focuses on connecting observation and conceptualization, inductive theory building also requires intimate knowledge of existing research. Extant studies provide background on research questions, and offer concepts and relationships to supplement emergent theory.

Inductive methodologies manifest in numerous forms, the most notable of which are grounded-theory techniques, case-based endeavors, and large-sample studies. Glaser and Strauss (1967) developed grounded theory building, which describes the inference of theory that assesses "the actual production of meaning and concepts used by social actors in real settings" (Gephart, 2004: 457). Grounded theorists adopt interpretive stances that assume researchers and subjects are inextricably linked in social change. Grounded theory building starts with a research question on a relevant phenomenon; progresses to the theoretical, iterative sampling of data from

various sources on the phenomenon (i.e., theoretical sampling); requires the concurrent analysis of collected data to uncover conceptual abstractions (i.e., constant comparison); and involves the inference of concepts and theory from patterns observed in the data (Corbin & Strauss, 1990; Eisenhardt & Graebner, 2007; Glaser & Strauss, 1967; and Suddaby, 2006). Noteworthy examples of management-oriented studies that build grounded theory include Gersick's (1989; 1988) scrutiny of work-team development; Sutton's (1987) exploration of organizational death; Isabella's (1990) study of managerial interpretations of organizational events; and McNamara and Bromiley's (1997) inquiry into organizational decision-making.

Although prevalent for decades in management research (Chandler, 1962; Selznick, 1949; Lawrence & Lorsch, 1967; Mintzberg & Waters, 1982), Yin (1994) and Eisenhardt (1989, 1991) explicated the practice of building theory from case studies. Case-based theorists employ positivist stances; that is, they presume objective, external knowledge exists, and this knowledge is perceptible by researchers. According to Eisenhardt (1989), case-based theory building requires the specification of a research question about an important phenomenon; theoretical selection of multiple (i.e., $3 - 5$) cases on the phenomenon; and development and implementation of instruments to obtain relevant data on from the cases. Scholars then analyze data on these constructs within and across cases; capture inter-case conceptual (dis) similarities; and finally explicate emergent concepts and theory and incorporate existing research. Strong examples of management-oriented studies that employ this approach include Mintzberg and Water's (1982) exploration of corporate strategies; Brown and Eisenhardt's (1997) study of continuous change; Gilbert's (2005) scrutiny of organizational adaptation; and Santos and Eisenhardt's (2009) study of the organizational-boundary creation.

Locke (2007) offered a large-sample approach to the inductive theory building. He suggested scholars should induce theory from substantial bodies of diverse data, rather than a few detailed cases or grounded observation. This approach trades the detail of case and grounded approaches for more expansive data, which can take extensive periods to build and analyze. As with case-based induction, scholars assume that an external, perceivable reality exists and is perceptible by the researcher. Locke proposed large-sample theorizing starts with the collection of a substantial body of diverse data on a phenomenon of interest. Scholars then analyze the sample for relevant, valid concepts that gauge and represent the phenomenon; seek evidence of causality and causal mechanisms; and, finally, fuse existing concepts and theory and emergent theorization into a non-contradictory whole. As Locke (2007) suggested, management-oriented studies that employ this methodology include Bandura's (1986) scrutiny of social cognition and Locke and Latham's (1990) study of goal setting.

Case (Eisenhardt, 1989) and large-sample (Locke, 2007) methodologies are the most closely related, since both hold positivist assumptions and separate data collection and analysis into sequential steps. The differences between these methods include the type of data; the approach to construct specification; and the manner in which scholars infer concepts and theory from the data. Eisenhardt advocated the a priori specification of constructs to guide case collection and analysis, and called for the procurement of 3 – 5 detailed cases. Conceptualization from cases requires extensive, triangulated inquiry into each case, involves detailed documentation of findings, and relies on "story telling" to illustrate the grounding of conceptual claims. Locke conversely advocated the use of large samples, and supported the inference of constructs from the data. His method relies less on detail, "story telling", and methodological triangulation, and more on the systemized analysis of numerous observations.

Case and large-sample induction are fundamentally different from grounded theory (Glaser & Strauss, 1967). Glaser and Strauss advocated *interpretive* exploration of research questions, which is distinct from the positivist assumptions of Eisenhardt and Locke. Additionally, grounded theorists utilize incremental, theoretical sampling and constant comparison; that is, scholars conceptually justify the procurement of initial data, and use emergent findings and theory to guide the incremental collection and analysis of additional data. While the case method also employs theoretical sampling, case and large-sample induction initiate analysis *after* data collection and forego subsequent sampling iterations. Finally, case and large-sample methodologies support the development of concepts *and* causal relationships from the data, while grounded theory focuses on causal relationships. While causal relationships are valuable (Eisenhardt, 1989; Glaser & Strauss, 1967; Locke, 2007), concepts also can be essential in explaining *why* and *how* phenomena occur (Eisenhardt, 1989).

Chapter summary

Chapter 2 provided the scholarly context for this dissertation, and offered an overview of inductive theory building, the methodology at the heart of the dissertation. Scholars employed an array of theoretical frames to study non-traditional rivalry, including the drivers of collective action (i.e., attacks) by activists against firms, as well as the types of firms targeted by activists. Of more relevance to this dissertation, however, were studies that categorized, explained, and predicted specific activist tactics and strategies for assaulting firms. Such research was largely deductive, ignored the competitive role of these attacks, and offered paradigmatically defined, idiosyncratic categorizations of activist attack strategies. The absence of a clear foundation from which to comprehend activist attack strategies led me to ask, *how do activists participate in non-traditional rivalry?* Inductive theory building – the inference of theory from observation – offers

a useful approach to answer questions that existing research does not adequately address. Inductive theorists utilize case (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 1994), large-sample (Locke, 2007), and grounded (Glaser & Strauss, 1967; Corbin & Strauss; 1990) methods. Each approach offers related, yet distinct assumptions and guidelines for data collection, analysis, and conceptualization. Chapter 3 overviews the specific inductive methodology used in this dissertation, and elaborates data-collection and analysis procedures.

TABLE 3
Primary Conceptualizations of Activist Tactics and Strategies

Year	Authors	Foundational Theories	Activist Label	Strategies/Tactics
1999	Frooman	Stakeholder and resource dependence	Stakeholders	Resource usage and withholding; direct and indirect
2003	Baron	Managerial economics and stakeholders	Activists	Private and public politics
2005	Hendry	Stakeholder and resource dependence	Secondary stakeholders	Resource usage and withholding; direct and indirect; lobbying and non-lobbying
2007	Baron and Diermeier	Managerial economics and stakeholders	Activists	Private and public politics
2007	den Hond and de Bakker	Institutions, social movements, and stakeholders	Activists	Various classes of tactics defined by participatory dependence and intended outcome
2009	Hiatt, Sine, and Tolbert	Institutions, social movements, and entrepreneurship	Social-movement organizations	Changing the normative environment, changing the cognitive environment, and changing the regulatory environment
2009	Yaziji and Doh	Institutions, social movement, and stakeholders	Non-governmental organizations	Contra-institutional (proxy war campaigns) and institutional tactics (watchdog campaigns)

CHAPTER 3

Methodology

Chapter introduction

Chapter 3 discusses the inductive methodology for this dissertation, and explains the

fundamental components of this methodology: data collection and analysis. First, I elaborate the

role of competitive dynamics theory in guiding my inductive methodology, and detail the

components of this methodology. This approach enabled the conceptualization activist attack

strategies from a sample of individual attacks on firms. Second, I discuss data collection. My

sample consisted of 778 brief descriptions of activist attacks on firms, which I extracted from

media reports. Third, I explain the identification of clustering variables from the sample.

Clustering variables – namely, attack velocity, physicality, and specificity – provided

measurable, generalizable premises on which to characterize activist attacks. Fourth, I describe

the measurement of the three attack characteristics. Structured content analysis produced

velocity, physicality, and specificity scores for the attacks in the sample. Finally, I discuss the

use of cluster analysis to uncover homogeneous groups of activist attacks. My cluster analysis

employed the scores from the structured content analysis to categorize the sample of attacks into

groups with homogeneous levels of attack velocity, physicality, and specificity. Each group

served as a platform to conceptualize unobserved attack strategies.

Competitive dynamics theory: Application in this dissertation

As mentioned in Chapters 1 and 2, scholars deduced various typologies of activist

strategies and tactics. These endeavors, however, produced paradigmatically constrained,

socially oriented, and opaque information on the types, predictors, and consequences of activist attacks on firms. Many scholars also treated activists as ideological entities, rather than rational organizations. When considered collectively, research on this topic did not produce a clear conceptual foundation to understand how activists engage firms. In order to break the cycle of problematic conceptualizations of this phenomenon, it is necessary to ground theory building in actual events of activist aggression, and to draw from a different theoretical perspective. While other theories - social movements, institutions, and stakeholders – traditionally framed the deductive study of this phenomenon, competitive dynamics theory offered useful and supplementary perspectives to inform the inductive conceptualization of activist attack strategies.

Competitive dynamics treats firms as rational actors that engage in product- and factor-market rivalry to ensure survival and growth. Product-market rivals enact sets of destructive actions, such as product proliferation, price cuts, and aggressive promotional campaigns, to cultivate new consumers, to procure consumers from competing firms, and to attenuate rivals' competitiveness (Chen, 1996; Ketchen, Snow, & Hoover, 2004; Mainkar, Lubatkin, & Schulze, 2006; Porac & Thomas, 1995; Porac, Thomas, & Baden-Fuller, 1989). Research studying product-market rivalry typically focused on the competitive engagements between product- and resource-similar firms (Chen, 1996). Scholars specifically explored the influence of firm, attack, and attack-repertoire characteristics on competitive behavior and firm performance (Chen, 1996; Chen & Hambrick, 1995; Chen & Macmillan, 1992; Ferrier, 2001; Ferrier, Smith, & Grimm, 1999; Smith, Grimm, Chen, & Gannon; 1989; Smith, Grimm, Gannon, & Chen, 1991; Smith, Grimm, Wally, & Young, 1997).

Firms also compete to garner and protect resources (i.e., factor markets) critical to product-market success. Factor-market rivals enact sets of destructive actions, such as resource

leapfrogging and captivity, to procure valuable resources from competitors, to produce superior resources to those of competitors, and to damage rivals' competitiveness. Despite the importance of resources to firm performance (Barney, 1991; Dierickx & Cool, 1989; Peteraf, 1993), research on factor-market rivalry was relatively scarce. Two conceptual manuscripts explicitly dealt with and set the foundation for this phenomenon. Capron and Chatain (2008) suggested an array of firm and market contingencies affect competition for valuable, rare, inimitable, and non-substitutable resources. Markman et al. (2009) extended this perspective by arguing operationally (dis) similar firms target competitors' resources through two competitive tactics. According to Markman et al. (2009), factor-market rivalry is often less predictable and more destructive than the product-market variety, because it originates from unexpected sources and flows through a distinct tactics and strategies.

Activists do not fall within the scope of traditional competitive dynamics, likely because these organizations often pursue different objectives, enact different strategies, and maintain different notions of performance than firms. Deeper exploration, however, highlights commonalties between these organizational forms. Activists also operate as rational organizations, leverage purposeful actions, and serve as unexpected sources of destruction and competition. These organizations drive changes in corporate behavior by employing formal tactics and strategies to disrupt corporate product- and factor-market operations and to challenge corporate competitiveness. The application of pressure on or harm to corporate resources and performance pushes firms to satisfy activist demands, or to risk additional assaults. Activists also use these strategies to compete with firms for resources – namely, reputational, financial, and human capital – that are crucial to organizational survival and growth. Attacks on firms allow activists to serve the needs of target markets, to signal organizational utility to those

27

markets, and to obtain scarce resources in exchange for serving said markets (Baron, 2001, 2003; Baron & Diermeier, 2007).

Given the underlying similarities between firms and activists, I used competitive dynamics approaches to inform the inductive study of activist strategies for non-traditional rivalry in four ways. First, competitive dynamics researchers viewed firms as rational actors. The application of this perspective to activists allowed me to view activists as an alternative form of strategic organization, capable of attacking and competing with firms through formal tactics and strategies. Second, competitive dynamics scholars explicitly focused on the combative actions involved in destructive inter-firm engagements. The application of this approach to activists allowed me to focus explicitly on the activist actions involved in destructive activist-firm engagements. Third, competitive dynamics scholars treated individual attacks as observable indicators of latent strategies. The application of this approach to activists supported the inference of activist attack strategies from individual attacks. Finally, competitive dynamics scholars used inherent firm and attack characteristics to categorize, explain, and predict competitive actions and reactions. Application of this approach to activists prevented reliance on discipline-dependent clustering and predictor variables (e.g., institutional dependence). It also facilitated the empirical and qualitative identification of groups of characteristically and tactically homogeneous attacks, and enabled the conceptual inference of attack strategies and strategic tendencies from those groups.

Inductive methodology: Application in this dissertation

Building on these assumptions and approaches of competitive dynamics theory, the inductive methodology in this dissertation generally followed Locke's (2007) approach, and incorporated aspects of Eisenhardt's (1989) method. In Chapters 1 and 2, I identified a research

question about a relevant, important phenomenon: non-traditional rivalry. My purpose was to explain how such rivalry manifests by identifying and conceptualizing activist attack strategies. As Chapter 3 discusses, I obtained numerous observations of this phenomenon, and analyzed these observations for conceptual patterns. My sample consisted of brief descriptions – mini-cases – of activist attacks on firms, which I extrapolated from theoretically selected media reports published between 1998 and 2009. The theoretical sampling of mini-cases fused a modified – less detailed – application of Eisenhardt's (1989) case method with Locke's (2007) large-sample approach, and enabled the empirical scrutiny of a large number of attacks for conceptual patterns. It also applied competitive dynamics perspective to the study of activist behavior by treating individual attacks as observable manifestations of latent attack strategies (Smith, Ferrier, & Ndofor, 2001; Smith, Grimm, & Gannon, 1992).

My analysis aimed to categorize the sample into groups representative of latent attack strategies. Using a randomly selected portion of the sample, I identified clustering variables that typified and facilitated the categorization of activist attacks on firms. Within- and between-case analyses of the (sub sample of) attack descriptions yielded three measurable, relevant, and generalizable attack characteristics: velocity, physicality, and specificity. These variables signified another application of competitive dynamics – namely, the characterization of actions – to the study of activist aggression. Three expert judges used a form of structured content analysis – common in competitive dynamics research – to score each attack's characteristics on a 0 – 7 scale. A cluster analysis of the judges' attack-characteristic scores discovered groups of attacks with homogeneous levels of velocity, physicality, and specificity. This approach offered a large-scale empirical version of between-case analysis that identified conceptual patterns throughout the sample.

In Chapters 4 and 5, I discuss the results of the cluster analysis, make initial conceptual inferences about activist attack strategies, and explain these strategies. Cluster analysis segmented the sample into five groups. Operating under the assumption that characteristically similar attacks manifest through functionally related tactics, additional qualitative analysis uncovered intra- and inter-group tactical commonalities, and supported the conceptual consolidation of the five attack groups into three meta-groups. These meta-groups directly represented three latent attack strategies: political, public, and private pressure. Each attack strategy represented a relevant concept, grounded in an approximation of reality (Locke, 2007). The identification and explanation of important concepts, such as Mintzberg and Water's (1982) strategies and Santos and Eisenhardt's (2009) boundary creating behaviors, offered a valuable outcome (Eisenhardt & Graebner, 2007). I then defined and explicated the attack strategies, discussed the effects of each on corporate resources, and integrated pertinent concepts from existing scholarship (Locke, 2007). The result was a non-contradictory, clear conceptual explanation of the strategies that activists use to propagate non-traditional rivalry.

Finally, although my empirical analysis focused on *how* activists attack firms, my sample provided information on *why* activists use different attack strategies. Given the difficulty with identifying and measuring activist characteristics and the absence of clear comprehension of these strategies, very few studies scrutinized the activist-specific predictors of activist strategic tendencies. Accordingly, in Chapter 5, I use a form of (qualitative) within- and between-case analysis to discern the characteristics of the most active attackers, and to ground post-hoc predictions about the influence of these characteristics on attack-strategy usage. When supplemented with concepts from existing research, my post-hoc predictions represent the final step of the inductive methodology: the inference and conceptualization of casual mechanisms

30

and relationships. The outcomes of my inductive methodology are measurable, testable, and

multidisciplinary concepts and causal relationships, useful to scholars *and* managers.

Data collection

The inductive identification and conceptualization of activist attack strategies required

access to a sample of activist attacks on firms. Since I treat attacks as individual manifestations

of latent attack strategies (Smith, Ferrier, & Ndofor, 2001; Smith, Grimm, & Gannon, 1992), the

procurement of information about numerous, diverse attacks ensured more complete and

accurate conceptualization of the underlying strategies. The sample for this dissertation

consisted of 778 brief descriptions of such attacks, which I extrapolated from media reports

published between 2000 and 2009. Media reports provided a relatively impartial, pervasive

source from which to compile information on diverse events of activist aggression. I obtained

media reports by searching Business Source Premier for non-scholarly articles (e.g., newspapers,

trade journals, and periodicals) with the subject terms 'activis*', 'non-governmental

organizations', or 'pressure groups'. These terms originated from the preliminary exploration of

the database for activist-oriented subject terms.

The search of Business Source Premier returned 5,000 articles. A form of theoretical

sampling facilitated the identification of articles pertinent to my research agenda (Eisenhardt,

1989; Glaser & Strauss, 1967). Articles that addressed specific instances of activist aggression

were of primary interest. I determined whether each article described one or more activist

attacks on firms, and specified the activists, targets (i.e., firms, industries, or institutions), and

tactics involved in those attacks. Most of the articles – 4,592 – did not discuss any attacks;

offered insufficient information on players and tactics; or repeated information from other

articles. The absence of non-repetitive, sufficient information on specific attacks – namely,

attacking activists, targets, and attack tactics – excluded these articles from further consideration.

The remaining 408 articles (from 155 publications) contained non-repetitive, sufficient

information on at least one activist attack; some articles discussed multiple attacks. Appendix A

contains a sample article with information on multiple attacks.

I used information from the 408 articles to develop brief descriptions of activist attacks

on firms. Each description dealt with one attack, elaborated the activist(s), target(s), and tactic(s)

involved in the attack, and represented one observation in the sample. Attack descriptions

provided the core of my sample, and served as mini-cases from which to identify and measure

attack characteristics that distinguished types of activist attacks. These mini-cases represented a

derivation of the exponentially more detailed cases common in orthodox case-based induction

(Eisenhardt, 1989). The analysis of a few detailed cases was not appropriate in this dissertation:

I sought to maximize conceptual completeness and accuracy by obtaining information on a wide

array of attacks and scrutinizing information relevant to my theory-building objective. The

following text provides two attack descriptions from the article in Appendix A:

> "PETA demonstrated outside of Benetton's retail outlets in NYC to protest the
> company's association with Australian wool producers. The group carried placards that
> read, "Benetton: Baaad to Sheep.”

> "PETA placed a billboard in New York City that decried Benetton's use of wool
> from Australian producers. The billboard displayed the tagline, "Did your
> sweater cause a bloody butt?”

Each sample attack description illustrated one attack, and conveyed the activist (PETA), target

(Benetton), and tactics (demonstration and advertisement) involved in the attacks. Overall, the

408 articles yielded descriptions of 778 attacks by 310 activists. The average article produced

1.91 attack descriptions. 120 of the activists in the sample conducted multiple attacks. Table 4

highlights the 30 most active organizations in the sample, and communicates the number of attacks conducted by each.

My sampling approach was consistent with empirical studies that extrapolate data on activist behavior from media reports (King & Soule, 2007; Lenox & Eesley, 2009). For instance, King and Soule used the *New York Times* to identify protest events (i.e., demonstrations). Lenox and Eesley (2009) used *LexisNexis* to identify a specific set of actions by environmental activists against firms. The theory-building purpose of this dissertation, however, called for some sampling modifications to enhance generalizability. Earlier studies focused on the actions of activists with a particular objective – namely, environmental protection. Activists with a specific agenda are likely to use certain strategies than others (King & Soule, 2007; Soule & King, 2008). Myopic attention to environmental activists thus inhibited access to the diverse behavior of activists with other objectives. Accordingly, I not only captured attacks by environmental groups, but also accounted for those by groups with different objectives, such as animal rights, civil liberties, and consumer protection. Earlier studies also focused on attacks through specific tactics. For example, King and Soule (2007) explored demonstrations, while Lenox and Eesley (2009) focused on lawsuits, letter-writing campaigns, boycotts, and proxy votes. I attempted to capture attacks through any tactic, which accounted for the tactics mentioned above and various others (e.g., pressure on employees and primary stakeholders, websites, press releases, press conferences, scientific reports, assault, battery, and property destruction).

Two limitations potentially affected my sample. Reliance on media reports can inject selection and description bias into a sample, and adversely influence empirical analysis and subsequent conceptual development. Selection bias refers to the reality that the media will not completely and exhaustively cover all instances of a phenomenon. In this dissertation, selection

bias concerned the inability of media outlets to cover all possible activist attacks during the sample period. I minimized selection bias by drawing information on diverse activists, firms, and tactics from 155 media outlets. Description bias deals with the type of information that media sources convey when covering an attack. According to Earl, Martin, and McCarthy (2004), media reports provide hard (facts) or soft (opinions) information. In this dissertation, description bias referred to media reports that offered opinions, rather than factual information, about activist aggression. I minimized description bias by drawing only hard information – namely, attacking activists, target firms, and attack tactics – from media reports. Given these steps, selection and description bias did not pose a substantial issue in my sample.

Clustering variables

Having procured substantial data on instances of activist aggression, it was necessary to identify and measure clustering variables. Clustering variables enable researchers to characterize individual observations, such as activist attacks, and to partition empirically said observations into characteristically homogeneous groups. Such variables allowed me to characterize each activist attack, to identify and explore groups of attacks with similar characteristics, and to discern whether these groups served homogeneous functions and represented latent attack strategies. This approach drew from underlying tenets of competitive dynamics scholarship in two ways. First, it presumed that each attack held inherent, observable, and measurable properties (e.g., attack characteristics). Second, it recognized characteristically related groups of attacks often manifest through functionally homogeneous tactics, and represent enactments of latent attack strategies.

Using a derivation of within- and between-case analyses, I used 30 randomly selected attack descriptions from the sample to infer pertinent clustering variables. Scholars often induce

concepts, such as clustering variables, from a few detailed cases (3 – 5). Since my sample

consisted of brief attack descriptions, I selected a larger number of observations to amplify the

generalizability of the inferred clustering variables. The qualitative exploration of the 30 attack

descriptions enabled the identification and replication of concepts within and across mini-cases

(Eisenhardt, 1989; Yin, 1994). More specifically, I treated each attack as a distinct analytic unit

(Eisendardt & Graebner, 2007; Yin, 1994); identified relevant, measurable attack characteristics

from each attack description; and discerned which characteristics replicated across attack

descriptions.

This modified form of case analysis uncovered three attack characteristics (i.e., clustering

variables) – velocity, physicality, and specificity – that typified activist attacks on firms.

Velocity refers to the speed with which an attack manifests from initiation to completion. This

variable focused on the duration of an attack, not the time required to plan the action or the time

necessary for the attack's effects to manifest. Low-velocity attacks took more than a month to

complete. For example, PETA hired an individual to present at more than 200 high schools

about the evils of meat consumption. Medium-velocity attacks took from a week and a month to

complete. For example, The Countryside Alliance organized a boycott against mass retailers in

England. As with most activist boycotts, this one was a symbolic (Friedman, 1999), and

effectively lasted less than a month. High-velocity attacks took less than a week to complete.

For instance, the Animal Liberation Front firebombed and devastated two McDonald's retail

stores in California within minutes.

Physicality represents the degree to which an attack inflicts damage on tangible corporate

resources. For example, attacks on corporate reputation are intangible; attacks on employee

productivity and financial capital are partially tangible; and attacks on plant, property, and

equipment are tangible. This variable focused on the tangibility of resources affected by attacks, not the degree of damage to those resources. For instance, although ALF's attack on the two McDonald's outlets damaged tangible resources, this aggression did not devastate a substantial portion of the company's resources. Low-physicality attacks unleashed damage to intangible corporate resources. PETA's high-school tour, for instance, generically affected the reputations of firms in or associated with meat-related industries (intangible) through interaction with potential consumers. Moderate-physicality attacks damaged partially tangible resources. The Countryside Alliance's boycott, for example, altered consumer perceptions and reduce corporate income (partially tangible). High-physicality attacks yielded damage to tangible corporate resources. For example, ALF's attacks on McDonald's damaged the company's income, as well as its plant, property, and equipment (tangible).

Specificity describes the degree to which an attack targets specific firms, groups of firms, industries, or business-related institutions. Low-specificity attacks focused on loosely defined groups of firms and institutions (i.e., capitalism). For example, PETA's high-school tour challenged the social acceptability of meat consumption, as well as any firm involved in meat harvesting, processing, and selling. Moderate-specificity attacks targeted abstract or specific industries. The Countryside Alliance's boycott, for example, targeted a well-defined industry – mass retailers – in England. High-specificity attacks targeted well-defined groups of firms or individual firms. ALF's firebombs, for example, targeted McDonald's retail outlets in California. Table 5 summarizes the examples of low, moderate, and high levels of the attack characteristics.

To my knowledge, existing studies of activist tactics and strategies offered tangentially related variables to two of my attack characteristics. Such research did not produce an analogous

variable for attack velocity. The only apparent analog to physicality was the type of intended damage (den Hond & de Bakker, 2007), which dealt with whether an activist intends to cause material or symbolic damage to firms. This variable, however, assessed an activist's intent, not the inherent physicality of a particular attack, such as a firebomb, advertisement, or demonstration. Finally, the only potential analog to attack specificity was the scope of intended change (Yaziji & Doh, 2009), which determined whether an activist aims to influence local or institutional changes. As with type of intended damage, scope of intended change represented an activist's intent, rather than the inherent specificity of a given type of attack.

As the preceding paragraph indicates, past research primarily relied on extrinsic factors – most notably, various forms and logical extensions of activist intent – to categorize activist attacks. While intent might influence types of attacks used, (logical extensions of) intentions do not define or alter an attack's internal properties and thus provide poor premises on which to categorize attacks. For example, firebombing represents an inherently destructive attack, regardless of the ALF's intent. Reliance on (extensions of) predictor variables to categorize activist strategies contributed to the development of problematic – paradigmatically defined, inaccurate, or overly abstract – typologies of and predictions about activist aggression. For instance, den Hond and de Bakker (2007) used type of intended damage to classify functionally unrelated actions, such as sabotage, Internet activism, lawsuits, and "sit ins", in the same category. These scholars also predicted ideologically radical activists intend to cause material damage, and thus are more likely to use this set of tactics than others. My data offered contradictory evidence: radical activists (e.g., the ALF) only utilized *one* tactic from this category (i.e., sabotage), and concurrently employed a distinct strategy (i.e., public pressure).

Given their empirical grounding, measurability, and generalizability, my attack characteristics provide more effective differentiators of activist attack strategies than those previously employed. Recall that attack strategies represent collections of characteristically similar attacks through functionally related tactics. For instance, certain websites, press releases, press conferences, and traditional media reports display similar attack characteristics, serve a common function (i.e., the stigmatization of corporate targets), and represent a common strategy (i.e., public pressure). As mentioned above, I assume an attack holds inherent characteristics; characteristically related attacks manifest through similar tactics; and similar tactics share common functions (Chen & MacMillan, 1992; Ferrier, 1997; Smith, Grimm & Gannon, 1992; and Smith, Grimm, Gannon & Chen, 1991). My clustering variables therefore gauge intrinsic, measureable attack characteristic; enable the empirical identification of groups of characteristically related attacks; support the exploration of these groups for functionally similar tactics; and ultimately facilitate the inference of latent strategies from these groups.

Structured content analysis

Structured content analysis measured the velocity, physicality, and specificity of the sampled attacks. Structured content analysis refers to a procedure in which judges draw from schedules to score cases on pre-specified variables (Jauch, Osborn, & Martin, 1980, Miller & Friesen, 1977). Schedules are documents that *structure* the content analysis by providing judges with information about pre-specified variables, rating systems, and applications of the rating system to sample cases. These schedules represent instruments capable of capturing analyzable data from (mini-) cases (Eisenhardt, 1989), such as the attack descriptions that comprised my sample. Scholars used this approach to study interaction between firms (Chen & MacMillan, 1992), and activists and firms (King & Soule, 2007; Lenox & Eesley, 2009). Accordingly,

structured content analysis served as a supplementary form of within-case analysis of this sample. Three academically qualified and practically experienced judges used a schedule to score the velocity, physicality, and specificity of the sampled attacks. As exemplified in Appendix B, this schedule communicated the definitions of the attack characteristics; explained the rating scale for each characteristic; provided sample attack descriptions, description ratings, and ratings logic.

The rating scale for the attack characteristics ranged from '0' to '7', with '0' being low and '7' being high. Low, moderate, and high levels of the attack characteristics corresponded with the definitions elaborated above. Attacks with low levels of an attack characteristic received scores ranging from 0.00 – 1.99; attacks with moderate levels of an attack characteristic received scores ranging from 2.00 – 4.99; and attacks with high levels of an attack characteristic received scores ranging from 5.00 – 7.00. For instance, low-physicality attacks that damaged intangible resources received scores ranging from 0.00 – 1.99; moderate-physicality attacks that damaged partially tangible resources received scores ranging from 2.00 – 4.99; and high-physicality attacks that damaged tangible resources received scores ranging from 5.00 – 7.00. Tables 6, 7, and 8 further elaborate the scoring system for each type of attack. The intensiveness of the rating task prevented all three judges from scoring the entire sample of 778 attacks. Accordingly, the three judges scored the attack characteristics of the 80 randomly selected attacks from the main sample. The 80 attacks of the "rater" sub sample represented ten percent of the main sample, and did not overlap with the 30 attacks utilized to identify the characteristics.

Measurement of the attack characteristics merits supplemental explanation. As with other case data, the attack descriptions did not capture complete detail about each event of activist aggression. Structured content analysis therefore required the judges to make inferences from

39

the attack descriptions about the attack characteristics. Such inferences were not problematic for three reasons. First, prior applications of structured content analysis involved similar case-based inferences. For instance, Chen and MacMillan (1992) asked judges to infer the type and irreversibility of airline competitive actions from reports in *Aviation Daily*. Second, extensive academic and practical experience enabled the judges' to infer velocity, physicality, and specificity scores from the attack descriptions. The judges used information on tactics from the attack descriptions to gauge how quickly, what type(s) of resource(s), and which target(s) attacks affected. For example, PETA's anti-Benetton billboard stigmatized the company and affected its reputation among and financial support from consumers, which justified a moderate physicality score (2.00 – 4.99). As with other activist-posted billboards, PETA's advertisement likely endured for less than a month, which called for a moderate velocity score (2.00 – 4.99). Furthermore, since PETA's advertisement explicitly targeted Benetton, it merited a high specificity score (5.00 – 7.00). Third, given my theory building intentions, I used attack characteristics to identify different types of activist attacks, not to specify, quantify, and validate the true characteristics of these attacks. This objective increased the importance of judges' relative agreement on the characteristics of each attack, and decreased the relevance of scale components, labels, and actual scores. For instance, I was more concerned with the consistency of the judges' physicality scores for PETA's billboard, rather than whether the true score was a '0', '1', or '2'. Strong inter-rater reliability indicated that multiple judges perceived each attack similarly, supported the use of one judge to score the remainder of the sample, and enabled the empirical use of attack characteristics to distinguish and categorize activist attacks.

Intra-class correlations (Type 3) in SPSS 17.0 gauged the judges' relative agreement on the characteristics of the 80 attacks in the rater sub sample. According to Shrout and Fleiss

(1979), intra-class correlation (Type 3) employs a two-way mixed model that respectively treats judges and targets (attack characteristics) as fixed and random effects, and gauges the *relative* consistency of scores for each case (attack). This approach was appropriate for two reasons. First, I non-randomly selected Ph.D. candidates in business administration with management experience to characterize activist attacks on firms. Intra-class correlation (Type 3) accounted for the non-random selection of judges. Second, I attempted to discern whether the judges were *relatively, rather than absolutely* consistent when characterizing each attack in the rater sub sample. Intra-class correlation (Type 3) gauged the *relative* homogeneity of the judges' ratings of each attack. The intra-class correlations for attack velocity, physicality, and specificity were 0.837, 0.787, and 0.840, respectively. All three ICCs were greater than 0.67, which indicated adequate inter-rater reliability for structured content analysis (Miller and Friesen, 1977; Yin and Heald, 1975). High inter-rater reliability supported the use of one judge to score the remaining 698 attacks in the main sample. This primary judge exhibited the most consistency with the two support judges.

The average activist attack in this sample exhibited moderate velocity (3.98), moderate physicality (2.56), and high specificity (5.23). Additionally, activists used diverse tactics against firms, including advertisements (4.6% of all attacks), physical assaults (2.4), contact with employees and stakeholders (9.4), lawsuits (2.7), lobbying (18.9), property destruction (5.8), protests (17.1), scientific reports (7.3), press releases (25.2), and websites (6.6). Table 9 provides the descriptive statistics for the sample, and Figure 2 depicts the diverse tactics that activists leveraged against firms. Significant correlations existed between attack velocity and physicality (-0.081; $p < 0.05$), and velocity and specificity (0.257; $p < 0.01$). These relationships were not problematic, however. According to Hendry (2005, 2006), activists opportunistically

engage in attacks that maximize the impact-cost ratio of aggression. This suggestion might explain why activists are more likely to use "quick hitting" attacks that focus on the reputational resources and managerial attention of specific firms. Examples of such attacks include media reports, demonstrations, letter-writing campaigns, and face-to-face meetings with executives. Targeting specifiable firms with such tactics increases attack speed; minimizes activists' resource expenditures; attenuates the likelihood of costly target retaliation; offers the potential to affect targets' reputations, managerial productivity, and value-chain activities; indirectly influences related firms; and symbolizes a service for target markets.

T-tests probed for differences in the primary judge's attack-characteristic scores of the rater and main samples. Mean levels of attack velocity and physicality did not differ significantly, but mean levels of attack specificity did. The average specificity rating in the rater sample (5.80) was 11% higher than the average rating of this variable in the main sample (5.23). One explanation for this discrepancy was that the rater sample contained 11% more attacks with extremely high specificity ratings (i.e., '7') than the main sample. The rater sample also contained 8% fewer attacks with extremely low specificity ratings (i.e., '0') than the main sample. Despite these differences, the specificity ratings of tactically similar attacks (e.g., lawsuits, websites, property destruction, and letter-writing campaigns) in the rater and main samples appeared consistent. Accordingly, the difference in specificity ratings between the samples likely stemmed from the concentration of high-specificity attacks in the rater sample.

It is important to note the high average specificity of the entire sample was not troublesome. Scholars contended that activists frequently assault *specific* firms to influence both local and institutional corporate behavior (den Hond & de Bakker, 2007; King & Soule, 2007; Lenox & Eesley, 2009; Rehbein, Waddock, & Graves, 2004; Yaziji & Doh, 2009). That is,

attacks on specific firms not only affect the direct targets, but also illustrate the potential threat of aggression facing related firms. Given high inter-rater reliability for the rater sub sample and the primary judge's scoring consistency between the rater and main samples, the attack characteristics offered reliable premises on which to typify and categorize activist attacks.

Cluster analysis

Two-step cluster analysis in SPSS 17.0 (2009) provided the empirical means to uncover groups of activist attacks within the sample. Cluster analysis identifies *characteristically homogeneous* groups in a sample by minimizing within-group variance and maximizing between-group variance on a set of clustering variables. Two-step cluster analysis accomplishes this by formulating pre-clusters from a cluster-feature tree (Theodoridis & Koutroumbas, 1999), and subsequently agglomerating the pre-clusters into primary groups. This approach discerned the optimal number of groups of attacks within the sample, and assigned attacks with homogeneous attack characteristics into each group. As discussed in Chapter 4, cluster analysis identified five groups of attacks with distinct attack characteristics, tactics, and functions.

Two-step cluster analysis was appropriate for three reasons. First, my sample was large: it contained 778 observations, including the two sub samples used to identify and measure the attack characteristics. Two-step cluster analysis attenuated the scaling issues associated with the hierarchical and k-means cluster analysis of large data sets. Second, I aimed to identify activist attack strategies from the data, and therefore held no a priori expectations about the number or nature of these strategies. Two-step cluster analysis determined the optimal number of groups of attacks within the sample, as well as the composition of those groups. Finally, significant relationships between certain attack characteristics represented potential violations of variable independence. Two-step cluster analysis was extremely robust to such violations.

As mentioned above, case-based inductive studies qualitatively inferred concepts and relationships from a few detailed cases. Cluster analysis, however, represented a quantitative version of between-case analysis, and enabled the identification of conceptual patterns across a much larger number of mini-cases. While some qualitative inferences were necessary to identify and measure the attack characteristics, cluster analysis empirically treated each attack as an analytic unit, identified common characteristics across attacks, and differentiated attacks into characteristically distinct groups. The empirical analysis of numerous, diverse attacks produced a relatively complete foundation from which to identify and explore different groups of activist attacks on firms, and therefore to conceptualize activist attack strategies.

Chapter summary

Chapter 3 chronicled the specific inductive methodology for this dissertation, communicated the role of competitive dynamics theory in guiding this methodology, and explicated the procedures used to collect and analyze data. Drawing from Locke (2007) and Eisenhardt (1989), this dissertation used the empirical analysis of activist attacks on firms to ground the conceptualization of latent activist attack strategies. A search of Business Source Premier from 2000 to 2009 uncovered 408 media reports with information on 778 events of activist attacks on firms. Extrapolation of this information into brief attack descriptions provided the core of my main sample. Analysis of thirty randomly selected attack descriptions from the main sample identified three attack characteristics that typify activist attacks. Three judges scored the velocity, physicality, and specificity of 80 randomly selected attacks from the main sample. Strong inter-rater reliability indicated relative agreement between the judges on attack characteristics, and supported the use of a primary judge to rate the remainder of the main sample. Cluster analysis used the attack-characteristic scores to segment empirically the sample

into groups of characteristically homogeneous attacks (i.e., attack groups). Chapter 4 reports the results of the cluster analysis; explores the tactical composition of the attack groups; discerns commonalities between attack groups; and infers underlying (i.e., latent) attack strategies from the attack groups.

TABLE 4
Most Active Organizations

Activist	Number of Attacks
People for the Ethical Treatment of Animals	63
Greenpeace	58
Stop Huntingdon Animal Cruelty	39
Animal Liberation Front	21
Rainforest Action Network	18
Earth Liberation Front	17
Friends of the Earth	13
Sierra Club	9
World Wildlife Fund	9
American Family Association	8
Gay and Lesbian Alliance Against Discrimination	8
National People's Action	8
Oxfam	8
Public Citizen	8
Consumers Union	7
Neighborhood Assistance Corp of America	7
Plane Stupid	6
Action on Smoking and Health	5
Center for Science in the Public Interest	5
Christian Aid	5
Commercial Alert	5
Consumer Watchdog	5
Humane Society of the United States	5
Parents Television Council	5
Survival International	5
Consumers Against Supermarket Privacy Invasion and Numbering	4
European Environmental Bureau	4
Global Exchange	4
Global Witness	4
Globalize Resistance	4
TOTAL	367

TABLE 5
Illustrations of Attack Characteristics

Variable	Low (0 - 1.99)	Moderate (2 - 4.99)	High (5 - 7)
Attack velocity	PETA presented at 200 schools to stigmatize the consumption of meat. This grassroots campaign was slow, unfolding over months.	The Countryside Alliance persuaded U.K. consumers to boycott mass retailers. The assault lasted around a month.	The Animal Liberation Front (ALF) firebombed a McDonalds's outlet in California. This attack was rapid, concluding within hours.
Attack physicality	PETA's campaign yielded little - if any - damage to corporate reputation.	The Countryside Alliance's boycott provided disruptions to corporate financial capital.	ALF's attack devastated corporate plant, property, and equipment.
Attack specificity	PETA's campaign targeted the entire meat industry and industries associated with it.	The Countryside Alliance's boycott targeted the mass retail industry in England.	ALF's action targetd a single McDonald' outlet.

TABLE 6
Velocity Scoring Template

Duration of attack	Score
Hours	7
Day	6
Days	5
Week	4
Weeks	3
Month	2
Months	1
Year (s)	0

TABLE 7
Physicality Scoring Template

Resources affected	Score
Plant, property, and equipment productivity[1]	7
Website operability[2]	6
Income (reported revenue and cash)	5
Employee productivity	4
Primary stakeholder perceptions[3]	3
Secondary stakeholder perceptions[4]	2
Public perceptions	1
No perceptual effect	0

1. This category includes human capital.

2. Actions, such as hacking and denial of service, crash servers and block access to and utilization of corporate websites.

3. Primary stakeholders refer to entities engaged in economic trasactions with targets.

4. Secondary stakeholders refer to other activists with social interests in targets.

TABLE 8
Specificity Scoring Template

Firms targeted	Score
One firm	7
Few firms	6
Defined group of firms	5
Individual specific industry	4
Multiple specific industries	3
Multiple abstract industries	2
Abstract groups of firms	1
Institutions (e.g., all firms in the US)	0

TABLE 9
Sample Means, Standard Deviations, and Correlations

Variables	Mean	s.d.	1	2	3
1. Attack velocity	3.98	2.69			
2. Attack physicality	2.56	1.81	-0.0811 *		
3. Attack specificity	5.23	2.31	0.2568 **	0.05	

* p < 0.05; ** p < 0.01
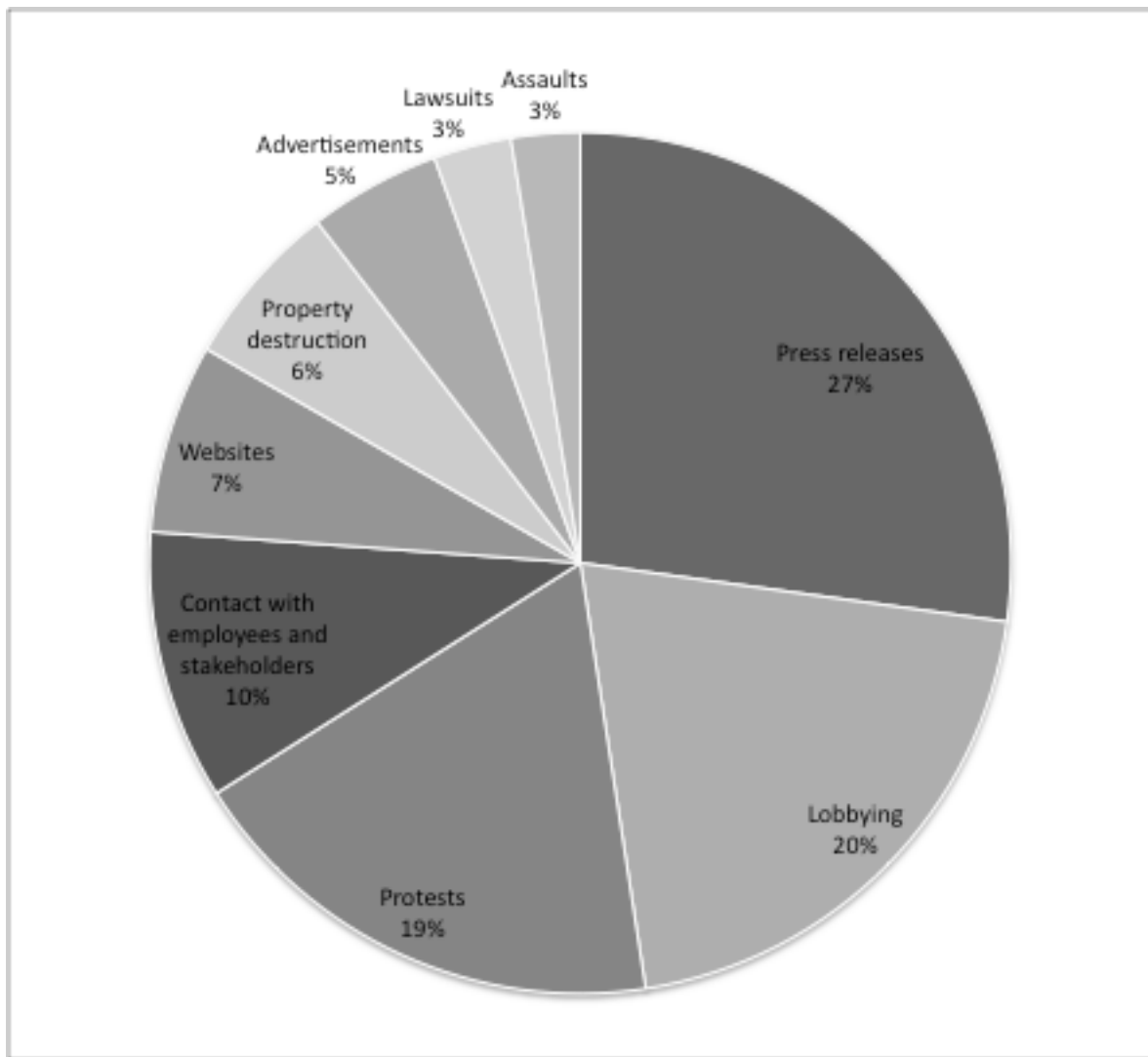
Figure 2
Activist Tactical Frequencies

CHAPTER 4

Results

Chapter introduction

In Chapter 4, I report and scrutinize the results of the cluster analysis. First, I convey the number of attack groups that optimally categorize and classify the attacks in the sample. Attack groups are segments of the sample with homogeneous levels of attack velocity, physicality, and specificity. The identification of five attack groups represented the outcome of a empirical, large-scale within- and between-case (i.e., attack) analyses, and provided an initial typology of the forms of activist aggression. Second, I report the descriptive statistics – namely, the size and average attack characteristics – of the attack groups. Third, I explore the tactical composition of the attack groups. Consistent with my expectations in Chapter 3, attacks with similar characteristics tend to manifest through functionally similar tactics. For instance, informational websites, press releases, and newspaper reports are examples of media-based tactics from Group 3 that enable activists to stigmatize corporate targets. The exploration of each attack group's tactical composition represents a shift in focus from the description of empirical results (i.e., attack characteristics) to the inference of conceptual patterns within and between attack groups. Fourth, I continue within-group analysis by identifying tactical outliers in the attack groups, and discussing the conceptual treatment of these attacks. Fifth, I attempt to identify tactical similarities *between* attack groups. Inter-group tactical homogeneity supported the conceptual combination the five groups into three meta-groups. Finally, I explain the inference of three latent attack strategies – political, private, and public pressure – from the three meta-groups.

Number and characteristics of attack groups

Two-step cluster analysis employed a combination of the Bayesian Information Criterion (BIC), ratio of BIC change, and the ratio of distance measures to identify the optimal number of attack groups within the sample. The lowest Bayesian-Information-Criterion (BIC) coefficient offered a good initial estimate of the number of attack groups (Chiu, Fang, Chen, Wang, & Jeris, 2001); however, reasonably large ratios of BIC changes and distance also marked the desired solution (Garson, 2009). BIC change refers to the fluctuation in BIC that occurs when increasing the number of groups used to differentiate a sample by one. The ratio of BIC change compares the change in BIC between an x and $x + 1$ group solution with the change in BIC when the uncategorized sample is split into two groups. The ratio of distance measures compares the distance measure for x groups with the distance measure for $x - 1$ groups. Both statistics assess whether the inclusion of additional clusters amplifies or attenuates differentiation between groups within the sample relative to a baseline solution.

According to these criteria, the cluster analysis classified the 778 attacks in the sample into five attack groups. The five-group solution offered the lowest BIC (1979.37), and reasonably large ratios of change (0.159) and distance (3.182). A MANOVA validated the five-group solution by uncovering significant differences in the centroid of means for each of the five attack groups. Ominbus F-tests indicated mean levels of velocity (1118.137; $p = 0.000$), physicality (654.831; $p = 0.000$), and specificity (363.101; $p = 0.000$) significantly differed for each group. A significant Wilks' Lambda (0.011; $p = 0.000$) suggested significant differences existed between the centroid of means for each group. ANOVAs largely agreed with the omnibus F-test (Aldenderfer & Blashfield, 1984); however, Groups 3, 4, and 5 did not display significantly different levels of attack specificity. This result was not problematic since the

centroid of the three attack-characteristic means differed across these groups. Table 10 identifies possible numbers of attack groups, and communicates the statistics for each. Tables 11 and 12 summarize the MANOVA results. Figure 3 illustrates differences between the attack groups on mean attack characteristics.

The five attack groups exhibited distinct characteristics; specifically, each contained different numbers of attacks, and displayed distinct levels of velocity, physicality, and specificity. Group 1 consisted of 191 attacks (24.6% of the sample) with low velocity (0.11), moderate physicality (3.56), and moderate specificity (3.67). For instance, PETA filed a lawsuit against KFC to stop the company from making false claims about the welfare of its farmed chickens. This attack took an extended amount of time to complete (velocity = 0), had a tangible effect on KFC's financial and human capital (physicality = 5), and focused on a particular firm (specificity = 7). Group 2 consisted of 181 attacks (23.3% of the sample) with high velocity (5.57), low physicality (1.73), and moderate specificity (2.90). For example, Which? – a consumer advocacy group – used a press release to accuse energy companies in the United Kingdom of overdrawing from their customers' accounts. Which?'s press release took a relatively short time to circulate (velocity = 6), yielded relatively intangible damage to the energy company's reputation among primary stakeholders (physicality = 3), and focused on a well-defined industry in the U.K. (specificity = 4). Group 3 offered 216 attacks (27.8% of the sample) with high velocity (5.95), moderate physicality (2.23), and high specificity (6.99). Friends of the Earth, for instance, published and publicized a study to counter information in a Royal Dutch/Shell sustainability report. The promotion of this study took a relatively short time (velocity = 5), yielded relatively intangible damage to the company's reputation among secondary stakeholders (physicality = 2), and focused on a specific firm (specificity = 7). Group

4 held 126 attacks (16.2% of the sample) with moderate velocity (2.82), low physicality (0.61), and high specificity (7.00). PETA, for example, enlisted actors Richard Pryor and Alex Baldwin to pen individualized letters to 1,618 Burger King franchisees. These letters chastised the franchisees for failing to comply with PETA's animal-treatment standards. The attack took a moderate amount of time to complete (velocity = 3), yielded almost no perceptible damage to corporate resources (physicality = 0), and focused on a particular firm (specificity = 7). Group 5 yielded 64 attacks (8.4% of the sample) with high velocity (6.67), high physicality (6.81), and high specificity (7.00) assaults. For example, the Animal Liberation Front vandalized two McDonald's in Los Angeles, California by smashing doors and windows, defacing walls and signs, and painting anti-meat-consumption slogans. The attack lasted for a very short time (velocity = 7), yielded tangible damage to corporate resources (physicality = 7), and focused on a specific firm (specificity = 7). Tables 13 and 14 summarize the size and descriptive statistics of each attack group.

Inferences from the attack groups

As mentioned in Chapter 3, *actual* group characteristics – namely, velocity, physicality, and specificity scores – were not the ultimate focus of this dissertation. Cluster analysis essentially served as a large-scale, empirical form of between-case analysis, and used the attack-characteristic scores from the structured content analysis to produce an initial categorization of activist attacks (i.e., the five attack groups). Given the theory-building intent of this dissertation, focus then shifted from the description of within- and between-attack *empirical* results to the inference of within- and between-group *conceptual* patterns. Beginning with within-group patterns, I analyzed the tactical composition – that is, types of attacks – within each attack group. Consistent with my expectations in Chapter 3, characteristically similar attacks not only formed

distinct attack groups, but also manifested through functionally homogeneous tactics. By

uncovering distinct *tactical themes* within the attack groups, this inference *conceptually*

validated the empirical segmentation of the sample into five attack groups. Group 1 consisted of

attacks through government-based tactics – namely, lobbying and lawsuits. For example,

Alcohol Concern heavily lobbied the British government to prevent alcohol companies from

advertising on television after 9 p.m. Group 2 consisted of media-based and media-dependent

tactics, such as advertisements, press statements or interviews, "scientific" reports, (propaganda),

demonstrations. Group 3 contained attacks through media-based tactics similar to those in

Group 2, except attacks in Group 3 targeted specific firms. For instance, Oxfam used an array of

advertisements to alert the public about various retailers' unethical treatment of coffee growers.

Group 4 consisted of attacks that directly contacted, communicated demands to, and applied

subtle threats on corporate executives through phone-calls, emails, letter-writing campaigns, and

face-to-face meetings. Oxfam, for instance, launched a letter-writing campaign that pressured

Nestle's executives to forgive the debt owed to the company by the Ethiopian government.

Group 4 also contained attacks that encouraged primary stakeholders to act against firms through

shareholder resolutions, buycotts, boycotts, or the elimination of transactional relationships.

Finally, Group 5 offered attacks through violent tactics, such as assault and battery on corporate

employees, and the destruction of private property. The ALF's attack on McDonald's

exemplifies such attacks. Table 15 summarizes the different tactics employed within each group.

Tactical homogeneity within each attack group provided explanations for the skewed

sizes and characteristics of certain attack groups. Groups 4 and 5 contained fewer observations

than Groups 1, 2, and 3. This outcome likely stemmed from media selection bias. Group 4

contained actions that directly pressured corporate executives. Such attacks were relatively

private and non-violent, which mitigated media access to and interest in engagements of this type. Group 5 offered violent actions against corporate employees, plant, property, and equipment. Although these attacks were noticeable and destructive, the stigma attached with such behavior discouraged its widespread use. Furthermore, heavy initial coverage and the repetitive nature of such attacks potentially reduced the attractiveness of violent engagements to media sources over time. For instance, 32 acts of property destruction were captured in the sample during 2000 and 2001, while only 12 were captured from 2002 to 2009. It also is possible that heightened sensitivity to terrorism after the events of September 11, 2001 reduced the utilization of, media reports on, and exposure to violence acts by activists. Additionally, some attack groups exhibited skewed average attack characteristics. Group 1 displayed extremely low velocity. Attacks in this group involved the manipulation of government systems, and therefore required extended time to complete relative to other types of attack. Groups 4 and 5 offered high specificity scores and low specificity variance. These outcomes were a function of the directness of the attacks comprising both groups. Both required direct contact with targets; necessitated focus on specific firms; and therefore minimized specificity score variance and maximized overall specificity scores of these groups. Finally, Group 5 exhibited extremely high velocity and physicality scores. Given the group's tactical composition, this outcome is reasonable: violent acts comprising this group manifest very quickly, and unleash direct, tangible damage to corporate resources.

The five attack groups exhibited strong characteristic and tactical consistency; however, outliers within each attack group required additional scrutiny. Outliers in this dissertation referred to attacks through *functionally dissimilar tactics*. I identified outliers by examining the tactical similarity of each attack with its attack group. Group 1 contained six attacks that

involved boycotts of different industries. For example, The Humane Society of the United

Stated initiated a consumer boycott of Canadian seafood. Such actions appeared to fit with

Group 4, which involved non-violent pressure on firms through primary stakeholders. Group 1

also contained 18 attacks through websites that challenged the social utility and morality of

entire industries (e.g., genetically modified crops) and institutions (e.g., capitalism). For

example, Corporate Watch produced a website that contained articles describing the risks of

genetic modification; flowcharts showing how business and government interests in genetic

modification collide; and case studies targeting the leading biotech companies. Attacks like this

one more closely fit with Group 2, which offered media-based attacks designed to challenge

target reputation. Groups 2 and 3 contained six attacks that involved contact with executives.

For instance, the European Parliament met with the executives of companies that utilize metal

packaging to demand their firms minimize environmental footprints. Such actions exhibited

commonality with Group 4 attacks, which involved non-violent pressure on corporate

executives. Group 4 appeared to present a plethora of seemingly dissimilar attacks – 31 through

websites and 24 through protests. Unlike Group 2 and 3 media attacks, the website attacks in

Group 4 advised viewers on how to contact and apply non-violent pressure on corporate

executives. For example, Neighborhood Assistance Corp of America developed a website that

featured photos of banking executives, their homes, and their phone numbers. It also encouraged

visitors to harass these executives for failing to soften mortgage requirements for financially

troubled homeowners. The protest attacks in Group 4 involved activist-inspired consumer

boycotts against targets, such as one unleashed the Humane Society of the U.S. Despite

superficial idiosyncrasies, however, both tactics applied direct, non-violent pressure on targets,

and thus represented crucial components of Group 4. Group 5, which focused on violent

engagements, did not contain any tactically unrelated attacks. Table 15 highlights all tactical outliers in the sample.

The outlying attacks did not reduce confidence in the results of the cluster analysis. These attacks are not statistical outliers; rather, they represent conceptual deviants from the *tactical theme* of each attack group. For instance, although the six boycotts in Group 1 do not appear to be statistical outliers, this tactic performed a function distinct from the majority of attacks in that group (i.e., lobbying and lawsuits). Additionally, the number of outlying attacks was small relative to overall sample size. Only 34 attacks (4.4% of the sample) displayed tactical dissimilarity with the original attack groups. As this statistic suggests, the attack groups mostly consisted of characteristically similar attacks through functionally homogeneous tactics. Eighty seven percent of attacks in Group 1 displayed tactical commonality; this number was 97%, 99%, 99%, and 100% for Groups 2, 3, 4, and 5, respectively. On a related note, there were no extreme outliers; that is, all outliers were compatible with other attack groups. The small number of outlying attacks and the strong tactical theme within each group indicated that the outliers should not alter confidence in the composition of the attack groups. Given the fit between outliers and alternate attack groups, there was no substantial reason to isolate or discard these observations. This dissertation utilized no other empirical analysis; intended to build theory; and therefore sought to develop broad conceptual lessons, rather than empirical nuances from the data. Accordingly, I conceptually reclassified outlying attacks with the alternate attack groups mentioned above. Table 15 summarizes the conceptual reclassifications.

Having discerned noteworthy conceptual – namely, tactical – patterns *within* attack groups, it was necessary to explore whether similar commonalities existed *between* attack groups. Employing a derivation of between-case analysis (Eisenhardt, 1989). I treated each

attack group as an individual analytic unit, attempted to replicate within-group tactical commonalities across groups, and continued this process until additional replications did not manifest. Group 1 consisted of attacks through government-based tactics, did not exhibit strong similarities with any other groups, and thus appeared to represent a distinct type of attack. Groups 2 and 3 displayed strong tactical commonalities: both groups contained attacks on corporate reputation through the same media-based tactics. The only glaring difference was that Group 2 was much less specific than Group 3. Despite the difference in one attack characteristic, these groups employed functionally homogeneous tactics, and appeared to represent a common type of attack. Finally, Groups 4 and 5 exhibited substantial – albeit less obvious – conceptual commonality. Superficial examination of these groups indicated severe differences. Group 4 consisted of relatively peaceful, communication-based tactics, while Group 5 offered violent tactics. Not surprisingly, then, these groups also displayed different levels of velocity and physicality. However, a less obvious, yet strong conceptual connection existed between the two groups. While Group 13 and Groups 2 and 3 *indirectly* attacked firms through other institutions and entities (i.e., government and media), Groups 4 and 5 *directly* pressured corporate targets. Accordingly, since both groups applied direct pressure, Groups 4 and 5 held an underlying commonality, and therefore appeared to represent a common type of attack. The presence of substantial inter-group tactical homogeneity encouraged the conceptual consolidation of the five attack groups into three tactically distinct meta-groups: Group 1, Groups 2 and 3, and Groups 4 and 5.

Scrutiny of the meta-groups ultimately enabled the inference of latent activist attack strategies. Recall that attack strategies are collections of attacks through functionally related tactics; that is, sets of attacks with common manifestations and functions. The absence of further

inter-group tactical commonalities marked the attainment of theoretical saturation, and led to the inference that the three meta-groups directly represented three functionally distinct, latent attack strategies: political pressure, public pressure, and private pressure. Group 1 represented political pressure, which describes attacks on firms through the legislative, regulatory, and judicial systems. PETA's lawsuit against Kentucky Fried Chicken, and Alcohol Concern's attempt to regulate advertising in the U.K. exemplified political pressure. This set of attacks shapes public policy, influences regulatory decisions, or produces court orders that regulate corporate behavior and – in some cases – extract corporate resources. Groups 2 and 3 represented public pressure, which refers to media-based attacks on targets. Which?'s press release about U.K. energy companies illustrated public pressure. Outliers from Group 1 – namely website-based attacks – also represented this strategy. This form of attack highlights corporate shortcomings, stigmatizes targets among various audiences, and affects the nature of interaction between these audiences and target firms. It also fosters competition by publicizing attacks on firms as a service to interested markets and soliciting resources for this service. Groups 4 and 5 embodied private pressure, which describes non-violent and violent direct contact with corporate resources. Non-violent private pressure manifests when activists directly and peacefully communicate demands to target firms, threaten additional action if targets do not meet these demand, or attempt to turn primary stakeholders against targets. PETA's letter-writing campaign against Burger King franchisees illustrated the enactment of non-violent private pressure. This form of attack occupies executive productivity, affects income, and pushes operational changes without requiring more costly and destructive behavior. Outliers from Groups 1 (boycotts), 2, 3 (contact with employees and stakeholders) also represented forms of non-violent private pressure. Violent private pressure involves explicit violence on corporate assets, most notably, employees,

plant, property, and equipment. The ALF's devastation of McDonald's retail outlets in

California exemplified violent private pressure. Violent private pressure affects firms through

the intimidation of employees and the prevention of resource usage. Figure 4 depicts the

inductive process used in Chapter 4 to conceptualize attack strategies from individual attacks.

Chapter summary

The cluster analysis in this dissertation acted as an empirical form of between-case (i.e.,

attack) analysis. It utilized the characteristic scores from the structured content analysis to

uncover similarities and differences across attacks, to identify five groups of characteristically

homogeneous attacks, and ultimately to provide an initial typology of activist attacks. Within-

group qualitative analysis of the attack groups led to an important inference: each group

consisted of attacks with similar characteristics *through functionally homogeneous tactics*.

Group 1 contained attacks through government systems; Groups 2 and 3 contained attacks

through media outlets; Group 4 involved attacks through direct, non-violent pressure; and Group

5 contained attacks through direct, violent pressure. Although tactical outliers existed within the

groups, these outliers were small in number; consistent with other attack groups; and did not

threaten confidence in the fundamental composition of the attack groups. Qualitative between-

group analysis uncovered conceptual- namely, tactical – similarities *between* certain attack

groups. For example, Groups 2 and 3 both consisted of media-based attacks, with the only

difference stemming from the attack specificity of each group. Inter-group tactical similarities

supported the consolidation of the five attack groups into three meta-groups. The absence of

additional inter-group commonalities indicated theoretical saturation, and led to the inference

that the three meta-groups represented three (latent) attack strategies: political, public, and

private pressure. Group 1 provided the foundation for political pressure; Groups 2 and 3

provided the foundation for public pressure, and Groups 4 and 5 provided the foundation for

private pressure. Chapter 5 builds from these findings to explain activist attack strategies in

more detail, to identify the corporate resources threatened by each strategy, to predict activists'

use of these strategies, and to enhance comprehension of non-traditional rivalry.

TABLE 10
Two-Step Cluster Analysis: Results

Number of Clusters	Schwarz's Bayesian Criterion (BIC)	BIC Change[a]	Ratio of BIC Changes[b]	Ratio of Distance Measures[c]
1	2432.2			
2	2227.1	-205.1	1	1.36
3	2086.11	-140.99	0.69	1.61
4	2011.91	-74.2	0.36	1.61
5[e]	*1979.37*	*-32.55*	*0.16*	*3.18*
6	1993.4	14.03	-0.07	3.25
7	2022.22	28.82	-0.14	1.44
8	2053.06	30.84	-0.15	1.27
9	2084.87	31.81	-0.16	1.38
10	2117.66	32.79	-0.16	N/A[d]

a. The changes are from the previous number of clusters in the table.

b. The ratios of changes are relative to the change for the two cluster solution.

c. The ratios of distance measures are based on the current number of clusters against the previous number of clusters.

d. Since the distance at the current number of clusters is zero, auto-clustering will not continue.

e. A reasonably large "Ratio of BIC Change" and a large "Ratio of Distance Measure" identified the optimal solution (Garson, 2009).

Table 11

MANOVA: Omnibus F-Test

Dependent Variable	Type III Sum of Squares	df	Mean Square	Significance
Velocity	4792.43	4.00	1198.11	0.00
Physicality	1975.21	4.00	493.80	0.00
Specificity	2708.25	4.00	677.06	0.00

Table 12
MANOVA: Multivariate Tests

Statistic	Value	F	Hypothesis df	Error df	Significance
Pillai's Trace	2.252	581.62	12.00	2319.00	0.00
Hotelling's Trace	12.018	770.84	12.00	2309.00	0.00
Roy's Largest Root	6.911	1335.57	4.00	773.00	0.00
Wilks' Lambda[1]	*0.011*	*763.02*	*12.00*	*2040.17*	*0.00*

1. Wilks' Lambda is the most common test of significance when assessing difference between two or more groups.

TABLE 13
Attack Groups: Sizes and Distribution

Cluster Number	N	% of Total
1. Government attacks	191	24.60%
2. Media attacks (lower specificity)	181	23.30%
3. Media attacks (higher specificity)	216	27.80%
4. Non-violent direct attacks	126	16.20%
5. Violent direct attacks	64	8.20%
Total	**778**	**100.00%**

TABLE 14
Attack Groups: Descriptive Statistics

Cluster Number	Velocity		Destructiveness		Specificity	
	Mean	*s.d.*	*Mean*	*s.d.*	*Mean*	*s.d.*
1. Government attacks	0.11	0.36	3.56	1.19	3.67	2.22
2. Media attacks (lower specificity)	5.57	0.85	1.73	0.80	2.9	1.68
3. Media attacks (higher specificity)	5.95	0.93	2.23	0.75	6.99	0.12
4. Non-violent direct attacks	2.82	1.86	0.61	0.74	7.00	0.00
5. Violent direct attacks	6.67	0.94	6.81	0.43	7.00	0.00
Combined	**3.98**	**2.69**	**2.56**	**1.81**	**5.22**	**2.31**

TABLE 15

Attack Groups: Tactical Composition and Outliers

Cluster Number	Tactic	Number	% of Cluster
1. Government attacks	Lawsuit	21	0.11
	Lobbying	146	0.76
	Protest (Boycott)[1]	*6*	*0.03*
	Website (Informational)[2]	*18*	*0.09*
2. Media attacks (lower specificity)	Advertisement	19	0.10
	Contact with employees[3]	*5*	*0.03*
	Protest (Demonstration)	22	0.12
	Self-published report	36	0.20
	Statement	97	0.54
	Website	2	0.01
3. Media attacks (higher specificity)	Advertisement	15	0.07
	Contact with employees[3]	*1*	*0.00*
	Protest (Demonstration)	81	0.38
	Self-published report	20	0.09
	Statement	99	0.46
4. Non-violent direct attacks (contact with executives and primary stakholders)	*Advertisement[4]*	*2*	*0.02*
	Contact with employees	67	0.53
	Lobbying[5]	*1*	*0.01*
	Protest (Boycotts)	24	0.19
	Self-published report[6]	*1*	*0.01*
	Website (instructive)[7]	*31*	*0.25*
5. Violent direct attacks	Assault and battery	19	0.30
	Property destruction	45	0.70

[1] These boycotts attempted to influence targets' primary stakeholders, and thus merited inclusion with Group 4.

[2] These websites provided negative information on targets, and thus merited inclusion with Groups 2 and 3.

[3] This contact attempted to influence targets' employees, and thus merited inclusion with Group 4.

[4] These advertisements provided negative information on targets, and thus merited inclusion with Groups 2 and 3.

[5] This lobbying effort represented an assault through government, and thus merited inclusion with Group 1.

[6] This scientific report provided negative information on targets, and thus merited inclusion with Groups 2 and 3.

[7] These websites provided instructions on how to contact corporate executives, and thus remained with Group 4.
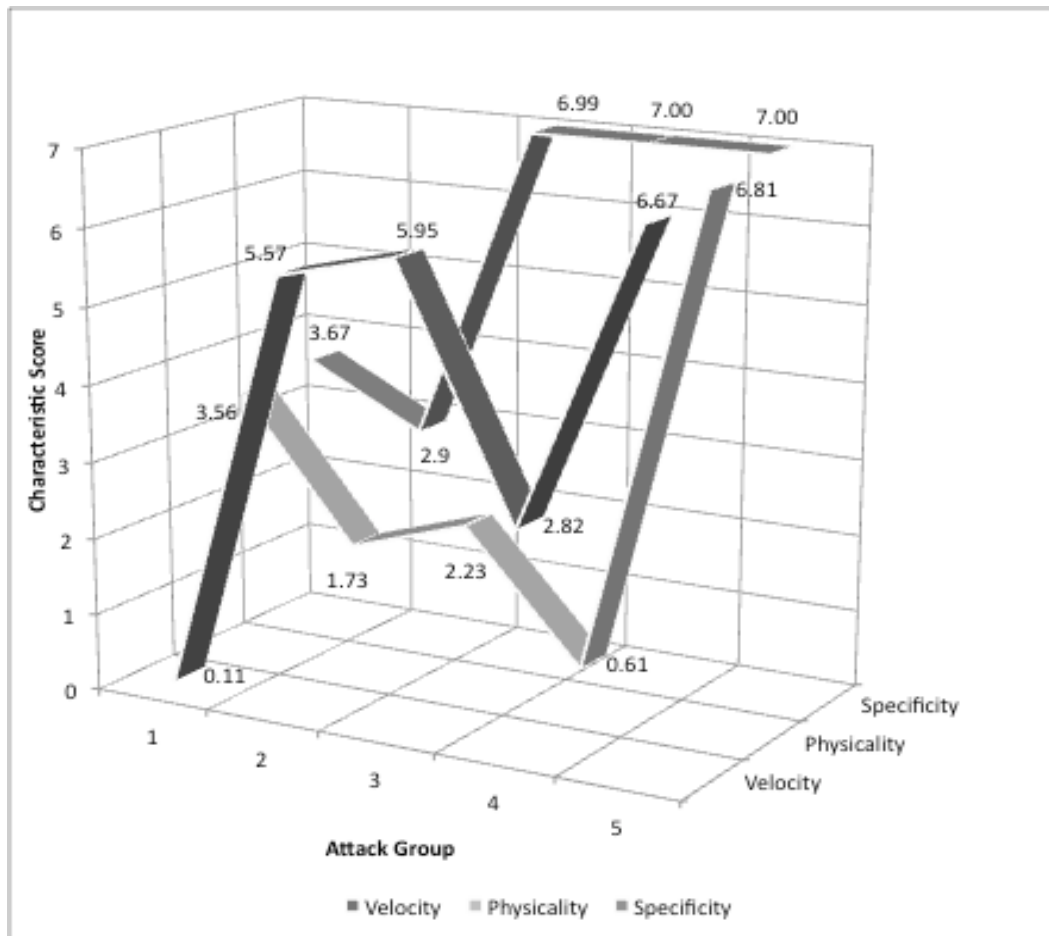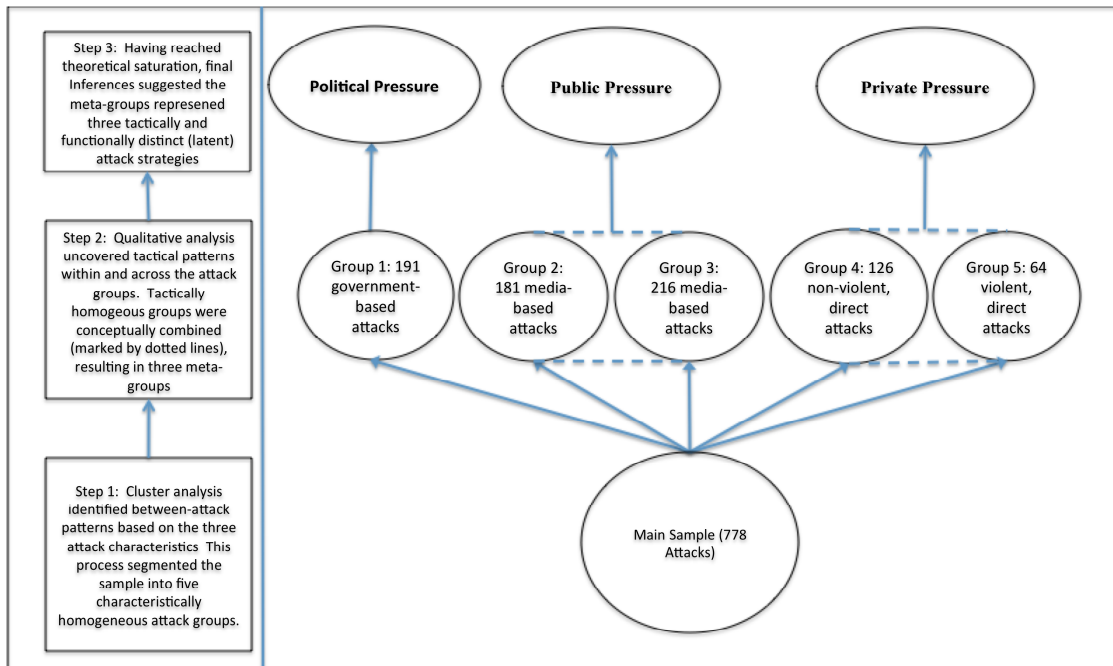
FIGURE 3
Comparison of Attack Group Means

FIGURE 4
Inductive Progression From Cluster Analysis to Attack Strategies

Chapter 5

Conceptual Development

Chapter introduction

Chapter 5 develops theory from the findings and initial inferences in Chapter 4. As with preceding aspects of the inductive methodology, competitive dynamics theory frames the conceptual development in this dissertation. Activists, like firms, are rational organizations that compete with each other and firms through purposeful actions. Accordingly, these organizations attack firms to control corporate operations, *and* to serve and garner resources from interested markets. The pursuit of resources through non-traditional competitive actions (i.e., attack strategies) locks activists into non-traditional rivalry with firms. My inductive methodology built on this premise to produce a generalizable, relevant conceptual framework from the results and inferences in Chapter 4. This framework explains *how* activists engage in such rivalry by exploring the three activist attack strategies and communicating the disruptive influence of these strategies on corporate resources. Table 16 summarizes this portion of my framework. My framework also predicts *why* activists use different strategies. I explicate the influence of key activist characteristics – legitimacy, experience, and organizational coupling – on activist strategic tendencies. I use post-hoc qualitative analysis of a theoretically selected sub sample to infer these predictions. Table 17 summarizes the predictive portion of my framework. The remainder of Chapter 5 explicates the conceptual framework, beginning with the discussion of the three activist attack strategies and concluding with predictions about activist strategic usage. Chapter 6 details the implications of my framework for research and practice.

Activist attack strategies

Political pressure. In 2000, a coalition of activist organizations, student groups, and UNITE – the textile workers' union – used judicial action to assault a number of corporations. This coalition sued clothing importers, including Calvin Klein and Gap, and enacted publicity campaigns against their brands. 17 companies settled with the attackers, while others, including Gap, continued to fight the case. The settlement included promises to improve working conditions in factories, and to accept inspection by Verite, a watchdog group.

Political pressure involves assaults through government institutions – namely, the judicial, regulatory, and legislative systems – that attempt to constrain corporate behavior through legislation, regulation, or court orders; this strategy is similar to the concepts of public politics (Baron & Diermeier, 2007), institutional tactics (Yaziji & Doh, 2009), and changing the regulatory environment (Hiatt, Sine, & Tolbert, 2009). Judicial attacks refer to lawsuits that divert resources and alter targets' operations. Regulatory and legislative attacks are actions – political-action-committee contributions, advocacy advertising, professional lobbying, and constituency building (Lord, 2000) – taken to influence the development, enactment, and enforcement of regulations that govern operating contexts. Whether by affecting individual firms, groups of firms, industries, or all businesses in social field, political pressure forces firms to engage in costly buffering (i.e., preempt or defend) and bridging (i.e., monitor and comply with costly government mandates) activities (Boddewyn & Brewer, 1994; Meznar & Nigh, 1995; Weidenbaum, 1980).

Various aspects of corporate operations face damage when activists employ political pressure. Damage manifests during the course of such attacks, and can continue for extended periods (i.e., months, years, or decades). Ongoing lawsuits, regulatory enforcement, and

legislative action can perpetually force firms to expend financial resources and to divert personnel attention from economic objectives. Finalized judicial decisions and legislative outcomes can momentarily, incrementally, or perpetually extract additional financial capital; determine resource usage, operating practices, and market access; alter offerings; yield punishment for failed compliance; and even force value-chain reorganization (Blumentritt, 2003; Meznar & Nigh, 1995). In sum, public-pressure strategies produce negative externalities that ripple throughout corporate value chains, and yield unexpected operational and performance consequences for target firms.

The mini-case at the beginning of this section highlighted the manner through which political pressure affects corporate giants like Calvin Klein, Gap, and the other clothing importers. Companies that settled (e.g., Calvin Klein) minimized prolonged operating costs to financial and personnel resources, but prostrated themselves to continual inspections by another activist organization. Companies that continued to fight (e.g., Gap) faced protracted resource erosion as the trial progressed, as well as the imposition of substantial damage in the event of an unfavorable conclusion. These outcomes might include sizable fines, mandated operational changes, and involuntary inspections by government entities. The message stemming from this example is that political-pressure strategies can unleash noteworthy damage to any target.

While a relatively established literature deals with corporate political activity (Baysinger, Keim, & Zeithaml, 1985: Lord, 2000; Meznar & Nigh, 1995; Hillman & Hitt, 1999; and Hillman, Keim, & Schuler, 2004), fewer studies explicate the strategic importance of government systems to activists. Most recently, Yaziji and Doh (2009), Hiatt, Sine, and Tolbert (2009), and Baron (2003) used different theoretical perspectives and lables to suggest activists leverage government mechanisms against corporate foes. My concept of public pressure –

grounded in data on activist aggression – bypasses the superficial distinctiveness of these

frameworks, highlights underlying conceptual commonalities between said frameworks, and

unifies them under a common umbrella. Scholars that identify government-based mechanisms as

a viable strategy also tend to offer an alternative non-government option, such contra-

institutional tactics (Yaziji & Doh, 2009) and private pressure (Baron, 2003). As the following

text illustrates, my grounded typology further nuances abstract categorizations of non-

government attacks into two functionally distinct strategies: public and private pressure. It also

recognizes that there are two forms of private pressure: non-violent and violent.

   Public-pressure strategies. In 2006, Forest Ethics created a website –

victoriadirtysecret.net – to highlight the environmental damage caused by Victoria's Secret,

which printed 395 million paper copies of its annual lingerie catalogue on non-recycled paper.

The organization noted attacks through this website and other means would continue until

Victoria's Secret increased the recycled content of its catalogues and ended its partnership with

International Paper.

   Public pressure consists of attacks through contemporary media, traditional media, and

media-dependent actions (e.g., scientific reports and demonstrations) that attempt to sour public

perceptions of and interactions with target firms. As exemplified by the actions of Forest Ethics,

contemporary media attacks leverage the accessibility, utility, and reach of directly controlled,

electronic venues – namely, Internet-based blogs, websites, chat rooms, and social-networking

venues – to publicize unverified claims about corporate operations. These claims provide hard

(i.e., facts) and soft (i.e., opinions) information about the wrongdoings of corporate targets;

discuss the negative externalities of such wrongdoing for society; and call for resources to

support further action against those firms. Hard information substantiates activists' claims, and

soft information dramatizes those claims, demonizes target firms, and appeals to public emotions. Contemporary media is conducive to the transmission of both types of information since such venues generally do not rely on objectivity and cater to ideologically supportive markets. For instance, many observers of Forest Ethic's website share a common passion for environmental protection and do not focus on the factuality of the organization's claims.

The Centre for Science and Environment produced a report in 2003 that claimed PepsiCo's and Coca-Cola's products in India contained average pesticide levels many times above norms deemed acceptable by the European Union. Sample bottles obtained in America, however, contained no traces of these poisons. According to the report, sufficient amounts of these pesticides can cause cancer and affect the human immune and nervous systems. CSE not only provided scientific evidence to support its assault on Pepsi and Coke, but also ensured that traditional media coverage validated and amplified the report's mass influence through press releases that discussed the report.

Traditional media attacks, such as CSE's heavily publicized study, rely on secondary reports by informed, legitimate third parties (Rao, 1994) – newspapers, financial press, magazines, and television – to broadcast information about corporate misconduct and activist attempts to rectify the misconduct. Activists often conduct visible, media-reliant attacks (e.g., scientific reports, advertisements, demonstrations, press releases, and press conferences) or publicize the enactment of other attack strategies to attract traditional-media coverage. Activists ensure and shape the nature of coverage by informing traditional media venues about why, when, where, and how attacks will manifest. The resulting media reports positively frame activist attacks on problematic firms; alert mass audiences to wrongdoing by those firms; validate activist aggression against those entities; and promote the utility of activist aggression to target

markets. Although traditional media often focuses on dramatic, emotional events (e.g., activist attacks), this type of media generally provides a higher ratio of hard to soft information about such events. The provision of (higher ratios of) hard information enables traditional media to capture and communicate dramatic stories, while maintaining legitimacy and credibility.

Contemporary and traditional media attacks manifest differently; however, both forms of public pressure affect public perceptions of firms. Publics consist of individuals, groups, and organizations that generally do not possess the resources – time, money, and knowledge – necessary to analyze corporate behavior. Diverse media outlets provide salient information for various publics to make sense of corporate operations (Deephouse & Heugens, 2009; Hayward, Rindova, & Pollock, 2004; Porac, Thomas, & Baden-Fuller, 1989). As a result, negative information published by activists in contemporary media or broadcast in traditional media can stigmatize firms, damage corporate reputations among various publics, and eventually affect subsequent interactions with influential primary stakeholders (Wiesenfeld, Wurthmann, & Hambrick, 2008), such as consumers, investors, employees, or suppliers. The threat of negative externalities from associating with stigmatized firms can weaken or destroy relationships with primary stakeholders, and subsequently decrease the sales, product prices (Dewally & Ederington, 2006; Rindova, Williamson, Petkova, & Sever, 2005), and market values (Purohit & Srivastava, 2001) of targeted firms.

Public pressure creates another operational issue for firms. Like their corporate counterparts, activists must procure resources to operate, survive, and grow (Baron & Diermeier, 2007; Soule & King, 2008). Media-based assaults facilitate resource procurement by advertising the services that activists perform for target markets, and by soliciting resource-based support for said services in two ways. First, activists can jointly use some forms of public pressure as a

service *and* a marketing tool. For instance, contemporary media venues, such as Greenpeace's

website (www.greenpeace.org), communicate activists' objectives, past successes, and current

missions, spotlight problematic firms, *and* call for target markets to donate money, become

members, volunteer for missions, and even apply for employment. Second, activists use public

pressure to highlight the value of attacks through the other strategies. For example, ALF and

ELF often supplement violent attacks with press releases that capture media attention and

advertise the utility and necessity of such actions to target markets. Perhaps as a result of such

efforts, a small, but a growing portion of a highly educated labor market – M.B.A. graduates –

seeks employment with socially motivated, non-firm organizations, such as activists (Campbell,

2008). In sum, public pressure damages targets' resources, places activists in competition with

firms for resources, and thus represents the central conduit of non-traditional rivalry.

Existing research on activist aggression underspecified media-based strategies, and

ignored the competitive utility of this attack form. Yaziji and Doh (2009) mentioned press

conferences, rallies, and marches as institutionally neutral tactics. This classification did not

capture the full array of media-based tactics, recognize media as an *institution*, or treat media-

based attacks as *institutional* tactics. den Hond and de Bakker (2007) classified negative

publicity as a symbolically damaging, participatory independent tactic. This conceptualization

ignored the potential of media-based attacks to cause material damage to corporate reputation,

market value, and income, and downplayed the dependence of such attacks on mass

participation. Baron (2003) lumped media campaigns into an overly abstract category: private

pressure. He treated activist interaction with the public as form of outside lobbying or

constituency building (Kollman, 1998), which actually was an extension of his government-

oriented concept of *public politics*. By making inferences from events of activist aggression, I

uncovered issues and commonalities across existing categorizations, identified a more complete

array of media-based tactics, and recognized these tactics as indicators of a functionally distinct,

destructive, *competitive* attack strategy: public pressure. As a result, the explication of this

strategy nuances, integrates, and enhances the accuracy of existing categorizations of media-

oriented strategies.

Private-pressure strategies. In 2004, the Rainforest Action Network (RAN) attempted to

alter the environmentally unfriendly logging practices of Boise Cascade by pushing the

company's major customers - including Kinko's, L.L. Bean, Patagonia, and the University of

Texas - to cancel contracts with the company. In an unrelated 2007 incident, People for the

Ethical Treatment of Animals (PETA) met with executives from CKE – the holding company of

Hardee's and Carl Jr.'s – and pushed them to improve conditions for harvested animals. CKE

agreed to purchase a percentage of meat and eggs from suppliers that do not confine animals in

tight crates.

Private pressure involves attempts to pressure firms through non-violent and violent

direct actions on corporate resources. This strategy is similar to the concepts of private politics

(Baron, 2003; Baron & Diermeier, 2007) and contra-institutional tactics (Yaziji & Doh, 2009).

Non-violent private pressure refers to executive- and stakeholder-oriented actions that activists

use to influence the behavior of corporate decision-makers and primary stakeholders,

respectively. Executive-oriented actions, such as letter-writing campaigns, emails, phone calls,

and face-to-face meetings, directly communicate demands to corporate executives, and threaten

enhanced aggression if those demands are not met. PETA's interaction with the executives of

CKE represented an executive-oriented attack. Stakeholder-oriented actions, as exemplified by

RAN's actions, push primary stakeholders to stop transacting with targets (e.g., boycotts), to

80

purchase from competing firms (e.g., "buycotts"), or to support managerial and operational changes (e.g., shareholder resolutions). Activists often use such actions to weaken or destroy relations between primary stakeholders and target firms, to generate traditional media attention and negative publicity for the targets (Friedman, 1999), and even to increase consumption of rival firms' offerings (den Hond and de Bakker, 2007).

Many firms recognize the benefit of proactively and cooperatively dealing with activists (Doh, 2002; Guay, Doh, & Sinclair, 2004), and therefore budget resources to manage those entities strategically (Porter & van der Linde, 1995). Despite the benefits of cooperation, executive-oriented attacks can divert personnel attention from economic objectives, require costly operational changes, and encourage relentless demands and attacks by other activists. Such attacks also can subtly extort resources – usually financial capital – from targets, often through threats of more disruptive assaults. For instance, a firm might donate to or otherwise support an activists' efforts in an attempt to satisfy it and to reduce the likelihood of more severe aggression. As with public pressure, stakeholder-oriented attacks can reduce consumption, decrease income, and even enhance competitor performance. In a study of 24 boycotts, for instance, Friedman (1999) concluded approximately 40% of those boycotts successfully reduced consumption. This approach also can capture traditional media attention; catalyze negative publicity; attenuate reputation; harm share price (Davidson, Worrell, & El-Jelly, 1995) and market value (Friedman, 1985; Pruitt & Friedman, 1986; Pruitt, Wei, & White, 1988); and require costly impression-management campaigns. Finally, some firms maintain a combative posture, and allocate substantial resources to attack and defend against activists. As competitive dynamics research instructs, however, hostile posturing, preemptive actions, retaliatory

engagements, and escalating combat can catalyze additional assaults, enhance the costs associated with inter-organizational aggression, and degrade profitability and reputation.

In 2003, members of Stop Huntingdon Animal Cruelty (SHAC) invaded the U.K. offices of Asahi Glass, Daiichi, Eisai, Sankyo, and Yamanouchi, and antagonized the employees of those companies. The group aimed to stop each company from transacting with Huntingdon Life Science, a research laboratory allegedly responsible for animal cruelty. In an unrelated 2007 incident, Greenpeace activists infiltrated Eon's Kingsnorth (England) coal-fired power station and painted anti-coal slogans on the plants chimney. This action forced a 30,000-pound clean up, and a one-day closure of the power plant.

As exemplified by the actions of SHAC and Greenpeace, violent private pressure involves the direct assault and battery of corporate employees and the destruction of corporate property. Tactics representative of violent private pressure include beating, stalking, and harassing corporate employees, hacking or overloading corporate websites (i.e., denial of service campaigns), and vandalizing or bombing corporate property. Groups responsible for the majority of these attacks, such as the Earth and Animal Liberation Fronts (ELF and ALF), often pursue ideologically radical goals, (den Hond & de Bakker, 2007; Yaziji & Doh, 2009) and reside on government terrorist lists. For example, ELF's press releases and graffiti communicate that it will destroy any commercial or residential development that infringes upon the health of the natural world. Radical organizations like these disregard norms and laws, seriously threaten corporate operations and human life, and represent dangerous, unpredictable threats to firms.

Violent private pressure generally affects corporate employees or damages private corporate property (i.e., plant, property, and equipment). The battery and assault of one or a few individuals can intimidate all employees within target firms. Fear of or actual bodily harm

82

destroys employee perceptions of workplace security, increases work-related stress, and decreases productivity. Furthermore, fear can increase employee absenteeism, encourage turnover, and damage hiring prospects. Other attacks deface, damage, or destroy corporate plant, property, and equipment. Vandalism, arson, nailbombs, and denial-of-service campaigns can similarly create fear and fear-related consequences for human capital. Such attacks also harm the operability of corporate resources; alter resource-capability mixes; generate negative externalities throughout corporate value chains; and alter the composition, utility, and operability of those value chains. Given close ties with target firms and fear of similar violence, primary stakeholders - suppliers, consumers, investors, and market makers – might loosen or cut said ties to avoid similar attacks.

Prior research lumped private pressure into generic, non-government categories. Yaziji and Doh (2009) mentioned civil disobedience, violence, and property destruction as contra-institutional tactics. However, they did not clearly capture tactics representative of non-violent private pressure in their typology, or recognize the institutional neutrality or acceptance of violence within some social fields. den Hond and de Bakker (2007) split private-pressure tactics – sabotage, internet activism, shareholder activism, and writing letters and emails – into different, functionally inaccurate categories. For instance, these scholars homogeneously treated letter- and email-writing campaigns, marches, and rallies as symbolically damaging, participatory dependent tactics. Beyond the fact that letter- and email-writing campaigns do *not* require mass participation, my findings and inferences suggest marches and rallies (i.e., demonstrations) represent forms of public pressure, while letter- and email-writing campaigns represent forms of non-violent private pressure on executives. Finally, Baron (2003) classified activist boycotts and bargaining within the umbrella of private politics. This generic

categorization ignored the presence of violent private pressure, and alternative forms of executive-oriented private pressure. My grounded concept of private pressure nuances abstract conceptualizations of private, non-government strategies by identifying and elaborating two forms of private pressure. It also overcomes the aforementioned issues of existing typologies, and integrates seemingly disparate conceptualizations into a non-contradictory whole.

Post-hoc predictions

Having conceptualized *how* activists attack firms, I then attempted to predict *why* activists exhibit different strategic tendencies. Similarities between activists and firms – namely, rationality and strategic action – facilitated the application of competitive dynamics perspectives and approaches to activists. I treated activists as rational actors that utilize distinctive strategies to attack and compete with firms, and conceptualized these strategies from the characteristics of individual attacks. Competitive dynamics also utilized firm characteristics to predict inter-firm attacks and reactions. This approach implies that firms use organization-specific factors to gauge the net utility of various tactics and strategies, and to select appropriate courses of action against rivals. Again, given the commonalities between activists and firms, extrapolation of this logic suggests that activists use an array of organization-specific factors to assess the net utility of different attack strategies and to select and enact useful forms of aggression. Accordingly, I conducted a post-hoc exploration of the data for measurable, relevant, and activist-specific constructs (i.e., activist characteristics) that potentially shape activist strategic tendencies.

A form of within- and between-case analysis of theoretically selected attack descriptions enabled me to identify such characteristics, and to infer relationships between activist characteristics and strategic tendencies. This process and its rationale were analogous to the inference of *attack* characteristics in Chapter 3. Of the 310 activists that attacked firms in the

sample, 120 were responsible for multiple assaults. As mentioned in Chapter 3, the top 30

attackers conducted nearly half of the sampled attacks, and therefore appeared to represent the

most salient threat to firms (Mitchell, Agle, & Wood, 1997). Post-hoc scrutiny of the 367 attack

descriptions involving these 30 activists enabled inferences about each activist's characteristics,

and possible relationships between each activist's characteristics and strategies. The replication

of emergent characteristics and relationships across attack descriptions uncovered underlying

causal mechanisms and relationships. My analysis continued until it failed to produce replicable

information. This outcome signaled theoretical saturation, and facilitated predictions about the

influence of three activist characteristics – legitimacy, experience, and organizational coupling –

on activists' strategic choices. For instance, legitimacy amplifies activists' access to large,

supportive target markets, and enhances resource inflows from those markets. Activists, as

rational actors, gauge the net benefit of maintaining legitimacy, and therefore employ specific

strategies that signal adherence to social standards. The remainder of Chapter 5 discusses the

three characteristics, and develops predictions about strategic tendencies.

Legitimacy. Legitimacy represents the degree to which an organization meets socially

defined standards of acceptability. Like other organizational forms, activists obtain legitimacy

when "internal and external audiences affected by organizational outcomes endorse and support

its goals and activities (Elsbach & Sutton, 1992: 700)." Pfeffer and Salancik (1978) noted that

organizations only require the endorsement and support of some publics to remain legitimate,

particularly when said publics provide sufficient resources to ensure organizational survival and

effectiveness. Although endorsement and support of niche publics is important, legitimacy

conferred by broader publics (i.e., markets) amplifies activists' support bases, and enhances the

ability of these organizations to procure survival-sustaining resources and power relative to

niche-legitimate activists and firms (Ashforth & Gibbs, 1990; Meyer & Rowan, 1977; Pfeffer &

Salancik, 1978; and Yaziji & Doh, 2009).

Given the resource benefits stemming from broad public endorsement, I ask, how do

activists signal adherence to mass legitimacy standards? Assaults on firms not only disrupt

targets' operations, but also provide a visible means for publics to gauge the acceptability of

activists' operations. The need to maintain flows of survival-sustaining resources encourages

activists to ensure continued public endorsement through socially acceptable forms of attack.

Media venues offer activists with low-cost, legitimate, and rapid access to the attention and

perceptions of broad publics. Activists thus leverage media attacks substantially to amplify

awareness of corporate wrongdoing, as well as symbolically to broadcast socially acceptable and

useful efforts to correct corporate misbehavior. Since media-based assaults allow activists to

signal social acceptability and facilitate widespread public endorsement, I suggest:

> *Proposition 1: The need to sustain legitimacy positively relates with activists' use of
> public pressure.*

Adherence to legitimacy standards can encourage activists to forgo socially undesirable

attacks. Such attacks generally involve violating individual and corporate rights; examples

include stalking or beating corporate employees and inflicting damage on corporate plant,

property, and equipment. For instance, as mentioned above, Greenpeace activists infiltrated

Eon's coal-fired power station in Kingsnorth, England and vandalized the plant's chimney, which

required an expensive closure and clean up of the power plant. Although behavior like this can

sustain endorsements from sympathetic niche publics, it also can mitigate support among broader

publics that do not condone violent activities or the responsible organizations. Because the

desecration of corporate (private) property reduces broad public support, mass legitimacy, and

access to associated resource benefits, I propose:

86

Proposition 2: The need to sustain legitimacy negatively relates with activists' use of violent private pressure.

Although legitimacy *generally* decreases violent private pressure, activists with relatively low levels of legitimacy act in surprising ways to obtain greater support. Elsbach and Sutton (1992) noted activists secretly enact illegitimate actions through "rogue" members to gain public attention, and then publicly decry those actions to decouple themselves from the socially deviant actors and behaviors. The assailants, however, eventually justify and take public credit for the socially unacceptable acts to legitimize them among broader publics. Elsbach and Sutton essentially indicated the *pursuit* of legitimacy requires different *short-term* and *long-term* attack strategies. Drawing from and adding specificity to their logic, I suggest activists *pursue* greater legitimacy by drawing the attention of broad publics through *covert violent actions*, signaling adherence to existing norms through public denial of responsibility, and eventually legitimizing earlier covert violence through publicity campaigns. Accordingly, I suggest:

Proposition 3a: The need to build legitimacy positively relates with activists' **short-term, covert use** *of violent private pressure.*

Proposition 3b: The need to build legitimacy positively relates with activists' **long-term, explicit use** *of public pressure.*

Experience. Experience refers to knowledge built through trial-and-error experimentation, search processes, and diffusion (Levitt & March, 1988). Organizations use these learning tools to uncover information on efficient and effective modes of operation; to record and maintain this information in organizational memory; and to retrieve it to sustain and improve operations. Research suggested experience influences a number of organizational outcomes, including firm survival (Delios & Beamish, 1999), strategic direction (Westphal & Fredrickson, 2001), and risk-taking (Desai, 2008). Experience also accrues from and shapes activist outcomes, including the types of attack strategies these entities leverage against firms.

This dissertation specifically focuses on activists' attack experience, and the effect such experience has on activists' strategic tendencies.

Activists uncover, interpret, and retain information on when, where, how, and against which targets different attack strategies (do not) work through trial-and-error, knowledge sharing, collaboration, and observation. Commitment of this information to organizational memory builds and contributes to stocks of organizational knowledge, which inform the evolution of activists' operating routines, (dynamic) capabilities, core competencies, and therefore attack and targeting schemes and tendencies. Certain factors (e.g., competency traps, experiential interpretation, and framing inconsistencies), however, inhibit activists from perfectly converting raw information into knowledge. These memory inhibitors introduce variance into the nature of knowledge gleaned, retained, and reapplied from experience.

Attack experience enables activists to comprehend the most effective and efficient means for assaulting diverse targets across environments. Although target idiosyncrasies seemingly require nuanced types of attack, experience offers information about attack strategies that overcome target diversity, minimize costs, and maximize impact (Hendry, 2006). Attacks that directly pressure corporate executives and manipulate primary stakeholders fulfill these criteria. Non-violent private pressure forces executives to interact with, consider, and react to activists' demands and threats. It also can require firms to reverse the perceptions and actions of primary stakeholders unfavorably influenced by activists. Additionally, this attack strategy affords activists with the opportunity to influence diverse targets without escalating conflict intensity and costs. Accordingly, I purport:

Proposition 4a: Experience positively relates with activists' use of non-violent private pressure.

Although non-violent private pressure creates low-cost, generalizable *opportunities* for activists to impact corporate operations, this strategy does not independently *ensure* corporate compliance with activist demands or – in most circumstances – directly generate resources. Experience enhances activist awareness of these factors. To enhance the effectiveness of this strategy, experienced organizations often complement it with externally generated pressure. Using low-cost, media-based attacks, activists dramatize the extent or existence of focal issues to drive mass antipathy toward target firms; to increase pressure on those firms; to market such pressure as a valuable service; *and* to generate resources from target markets for this service. Accordingly, public pressure supplements non-violent private pressure by providing an external impetus for targets to treat activist demands seriously, *and* by facilitating the procurement of resources. I thus suggest:

> *Proposition 4b: Experience increases the likelihood that activists will complement non-violent private pressure with public pressure.*

Experience reduces the use of costly actions that offer uncertain outcomes and apply only in specific circumstances. Although political pressure can generate noteworthy corporate change, lawsuits, lobbying, and other government-based tactics also substantially increase operating costs. Activists must support in-house counsel and lobbying professionals, or contract such experts to navigate government systems effectively. Even with expert assistance, though, the outcomes of attacks through government are highly uncertain. Activists must compete with firms, other activists, and the public to influence the actions of independent third parties – judges, juries, legislators, and administrators – with diverse, unpredictable, contradictory agendas. Finally, attacks of this type are not applicable to many targets: activists must focus on (potentially) controversial firms or industries to involve government systems. The low impact-cost ratio of such attacks suggests:

Proposition 5: Experience negatively relates with activists' use of political pressure.

Although experience *generally* reduces political pressure, it also guides activists to identify specific scenarios *when* this strategy is desirable. Social issues, which vary from irrelevant and contained to highly salient and pervasive (Bonardi & Keim, 2005), can increase public support for the use of political pressure. Pervasive interest in a salient social issue amplifies public outcries for the involvement of government in its resolution. Experienced activists treat salient issues as opportunities; exert political pressure on firms associated with these issues; and publicize the value of such attacks to garner additional resources from concerned, sympathetic markets. Attackers use these resources to defray the costs of utilizing government systems, to supplement stocks of operation-sustaining resources, and to support other activities. Additionally, government officials, who thrive on public support, are more likely to consider activist efforts to resolve issues of broader interest. Pervasive, salient issues thus provide opportunities for experienced activists to fuel and capitalize on mass antipathy toward targets; to garner resources that defray attack costs and support other operating activities; and to enhance the receptiveness of government officials. Accordingly, I propose:

Proposition 6a: Issue salience moderates the relationship between experience and political pressure, such that experience positively relates with activists' use of political pressure when targets are associated with salient issues.

Proposition 6b: Experience increases the likelihood that activists will complement political pressure on issue-salient targets with public pressure.

Coupling. Coupling refers to the tightness of connections between an organization's components (Weick, 1976). According to Weick (1976), the tightness with which an organization functionally and administratively connects its components (i.e., departments, employees, and members) influences its operating activities and performance. He purported that looser coupling dampens environmental effects on organizations, allows organizations to

compartmentalize operations, facilitates operational flexibility, and encourages innovation. Although Weick highlights the value of loose connections between organizational components, he does not specify the influence of coupling on activist aggression.

Activists range from loosely coupled to tightly coupled organizations. For instance, Greenpeace exhibits tight coupling between its functional departments, employees, and members, while the Animal Liberation Front (ALF) exhibits loose coupling between its anonymous member cells. Tighter coupling encourages the establishment of physical operating locations and creates defined, stable organizational structure, which facilitates intra-component communication, coordination, and the development of uniform objectives, norms, routines, and competencies. The intra-organizational structure associated with tight coupling enables activists to compile, hone, and share knowledge about diverse attack strategies, and to develop attack routines for the enactment of each. Effective inter-component communication, uniform objectives, and clear norms enable activists to enact multiple routines concurrently, and thus to coordinate simultaneous assaults through one or more strategies. Accordingly, I propose:

> *Proposition 7a: Organizational coupling positively relates with activists' simultaneous use of different forms (i.e., tactics) of an attack strategy.*

> *Proposition 7b: Organizational coupling positively relates with activists' simultaneous use of multiple attack strategies.*

Loose coupling also can shape activist aggression. Looser coupling reduces the necessity of physical operating locations and creates blurry, unstable organizational structure, which inhibits intra-component communication and coordination and prevents the development of uniform objectives, norms, routines, and competencies. In line with Weick's (1976) suggestion that loose coupling buffers organizations from external forces, these factors aggregately provide loosely coupled activists with anonymity, and reduce or eliminate the accountability of such

organizations for their actions. For instance, while governments and the public know of the ALF and ELF, the operating details of these organizations remain relatively obscure, and members regularly avoid punitive action. The lack of accountability and the absence of intra-organizational routines, competencies, and coordination encourage activists to use the most simplistic, destructive form of attack: violence. Accordingly, I suggest:

> *Proposition 8: Organizational coupling negatively relates with activists' use of violent private pressure.*

Chapter summary

Chapter 5 developed a conceptual framework from the results and inferences in Chapter 4. The application of competitive dynamics theory to activists supported the treatment of these organizations as rational entities that engage in non-traditional rivalry with firms. This perspective contextualized the results of and inferences from data analysis, and supported the development of a conceptual framework that explains how activists strategically enact such rivalry. My framework elaborates three activist attack strategies (i.e., political, public, and private pressure); explicates the disruptive effects and competitive utility of these strategies; and communicates the influence of activist legitimacy, experience, and organizational coupling on the use of these strategies. Chapter 6 discusses the implications of my conceptual framework for activists, firms, and existing research, and provides research suggestions.

TABLE 16
Summary of Attack Strategies

Strategy	Attack groups	Tactics	Description
Political pressure	Group 1 (primary)	Lawsuits, lobbying, constituency building, advocacy advertising	Assaults through government institutions that regulate corporate operations
Public pressure	Groups 2, 3 (primary); Group 1 (outlier websites)	Advertisements, informational websites, blogs, social-networking sites, television, newspapers, magazines, demonstrations	Attacks through contemporary media, traditional media, and media-dependent actions that sour public perceptions of and interactions with target firms
Private pressure	Groups 4, 5 (primary); Groups 1, 2, 3 (outlier contact with executives)	*Non-violent*: Letter-writing campaigns, email-writing campaigns, face-to-face meetings, shareholder resolutions, boycotts, phone calls; *Violent*: beatings, stalking, arson, bombs, and vandalism	Attacks through direct, non-violent and violent contact with corporate resources; non-violent actions consist of contact with exeuctives and manipulation of primary stakeholders

TABLE 17
Summary of Predictions About Activist Strategic Tendencies

Proposition	Predictor	Outcome	Moderator	Relationship
1	Legitimacy maintenance	Public pressure	N/A	The need to sustain legitimacy positively relates with activists' use of public pressure
2	Legitimacy maintenance	Violent private pressure	N/A	The need to sustain legitimacy negatively relates activists' use of violent private pressure
3A	Legitimacy building	Violent private pressure	N/A	The need to build legitimacy positively relates with activists' short-term, covert use of violent private pressure
3B	Legitimacy building	Public pressure	N/A	The need to build legitimacy positively relates with activists' long-term, explicit use of public pressure
4A	Experience	Non-violent private pressure	N/A	Experience positively relates with activists' use of non-violent private pressure
4B	Experience	Non-violent private and public pressure	N/A	Experience increases the likelihood that activists will complement non-violent private pressure with public pressure
5	Experience	Political pressure	N/A	Experience negatively relates with activists' use of political pressure
6A	Experience	Political pressure	Issue salience	Issue salience moderates the relationship between experience and political pressure, such that experience positively relates with activists' use of political pressure *when targets are associated with salient issues*
6B	Experience	Political pressure and public pressure	Issue salience	Experience increases the likelihood that activists will complement political pressure on issue-salient targets with public pressure.
7A	Organizational coupling	Tactical diversity	N/A	Organizational coupling positively relates with activists' simultaneous use of different forms (i.e., tactics) of an attack strategy.
7B	Organizational coupling	Strategic diversity	N/A	Organizational coupling positively relates with activists' simultaneous use of multiple attack strategies
8	Organizational coupling	Violent private pressure	N/A	Organizational coupling negatively relates with activists' use of violent private pressure

94

Chapter 6

Discussion and Conclusion

Chapter introduction

Chapter 6 elaborates the contributions and implications of my conceptual framework for research and practice. My framework specifies, explains, and predicts the competitive strategies of an unexpected, potent rival to firms – activist organizations. The framework in this dissertation also facilitates the expansion of competitive dynamics research and its theoretical traditions to account for *all forms of destructive, inter-organizational competition*. From a practical standpoint, my concepts and propositions inform the leadership of activist organizations, corporate executives that must deal with activists, firms seeking entrepreneurial opportunities, and those interested in the external control of corporations. Finally, this chapter offers ideas for future research, discusses limitations, and summarizes the dissertation.

Contributions and implications

This dissertation discerned *how* activists engage in *non-traditional rivalry* with firms. The control of corporate targets through assault signifies a market-based service that activists tacitly exchange for resources. Since firms covet the same resources as activists, activists engage in *non-traditional rivalry* with each other and firms to garner assets that support organizational survival and growth. Using a form of inductive theory building and competitive dynamics theory, I conceptualized the attack strategies that activist leverage in such competition. The empirical and qualitative analysis of a large sample of activist attacks on firms indicated activists compete through three attack strategies – political, public, and private pressure; these strategies

differ from those of firms in mechanism and effect. Post-hoc qualitative analysis produced a number of predictions about activist strategic tendencies; my propositions collectively theorize that an activist's legitimacy, experience, and organizational coupling determine its method(s) of attack. In sum, my conceptual framework offers relevant, generalizable theory that specifies, explains, and predicts the strategies of a competitive, disruptive organizational form.

The conceptual framework in this dissertation focused on activists as (semi-) formal organizations with socially oriented agendas; however, the competitive themes and attack strategies in this dissertation generalize beyond this type of organization. For instance, an *individual* animal rights proponent would select from the same set of attack strategies as PETA or the ALF to attack firms, use such attacks to build reputational capital among referent peers (i.e., target markets), and ultimately construct a desired social identity. In another example, politicians also apply these strategies to create value for their constituents (i.e., target markets), to compete with rivals for reputation, votes, and donations, and to solidify power relative rivals and private sector players. While some of my propositions might not apply as readily to other organizational forms, the competitive theme and attack strategies at the heart of my framework are generalizable across entities.

My dissertation broadens competitive dynamics theory and research. Scholars in this discipline attempted to explain and predict the nature of inter-firm rivalry, the escalation of such rivalry, and destructive consequences for corporate competitiveness. The scrutiny of activist behavior through a competitive dynamics lens honed on similarities between activists and firms, and inductively applied assumptions and approaches from this research stream to study how activists compete with firms. My conceptual framework treated activists as rational, competitive, strategic organizations; viewed individual attacks by these organizations as

observable indicators of latent attack strategies; and used inherent attack and activist characteristics to uncover, explain, and predict these strategies. It more generally suggested that competition extends beyond firms, and involve diverse players, strategies, and contexts. Accordingly, the application of competitive dynamics concepts to activists and the recognition that activists compete with firms for resources extends competitive dynamics theory to include unexpected, non-traditional notions, sources, and mechanisms of rivalry.

This dissertation also challenges traditional classifications of rivalry. Competitive dynamics scholars segment rivalry into product and factor versions. Product-market rivalry involves competition for target consumers, while factor-market rivalry concerns rivalry for resources. My conceptual framework challenges this categorization by recognizing *resources* as the fundamental focus of all competition. Even product-market rivalry originates from the pursuit of resources: firms, activists, and other rational forms of organization battle for the reputational and financial capital held by consumers, not the consumers themselves. Product and factor market rivalry thus represent competition for different types of resources within a common factor market, rather than distinct forms of rivalry. This view draws support from other theories – resource dependence, population ecology, and resource partitioning – that portray resources as the driver of organizational interaction and competition.

Finally, my conceptual framework marks the foundation of an enhanced research stream – *neo competitive dynamics* – that combines notions traditional and non-traditional rivalry, and considers rivalry between all organizational forms in a common factor market. Neo competitive dynamics operates from a clear central thesis: *the need for resources drives rational organizations to engage in destructive competition through diverse tactics and strategies*. This research stream captures traditional rivalry between firms, as well as non-traditional rivalry

between firms *and* non-firm opponents, such as activists. It also considers inter-organizational

battles where firms are not *directly* involved. For instance, activists often attack firms to create

value for target markets, to compete with other activists for resources, and to jockey for position

(Soule & King, 2007). By broadly conceptualizing the phenomenon of competition, neo

competitive dynamics extends and enriches traditional competitive dynamics theory and research

to offer a clearer, more comprehensive account of inter-organizational rivalry.

Managing activist organizations. Although the present study explores activist strategies

from the perspective of firms, the resulting conceptual framework offers lessons to those

involved with, working for, or managing activist organizations. My framework communicated

three functional strategies available to activists. Management and employees of activist

organizations can directly draw from this framework to identify, plan, and enact the types,

combinations, and sequences of attacks that optimize disruptions to corporate operations and the

procurement of resources. The framework also predicts activist strategic tendencies. Leaders of

activist organizations can use this information to decide on appropriate forms of attack,

particularly given assessments of their own characteristics. Additionally, since activists compete

with each other for resources, these organizations also can use such information to map the

competitive landscape within social-movement industries. Knowledge of rival peers enables

activist organizations to identify segments of inadequately served publics, and to develop

competitive strategies for more effectively serving these publics.

Dealing with activist aggression. Despite practical recognition that activists disrupt

corporate activities, many firms face substantial uncertainty when attempting to mitigate this

threat. Activists appear different from firms, employ different attack strategies, and hold

different motivational bases. Many firms specialize in inter-firm rivalry, do not possess the

capabilities necessary to identify, preempt, neutralize, or defend against activist assaults, and thus need to enlist specialized third parties. For example, Burger King secretly hired Diplomatic Tactical Services, a private espionage firm, to infiltrate the Student-Farmworker Alliance and to thwart planned attacks by the group. In order to remain competitive, firms should dedicate resources to monitoring, analyzing, and predicting activist aggression, and to building capabilities in attacking and responding to these entities. My framework specifies activist strategies and tendencies, and therefore provides information for firms to predict attacks and to formulate appropriate coping strategies. Coping strategies could include sets of actions that prevent or mitigate the physicality of such attacks, and enable firms to win struggles with activists for resources.

   Generating economic opportunities from activist aggression. Activists can represent economic opportunities (Hiatt, Sine, & Tolbert, 2009). Entrepreneurial firms observe attacks on peers, identify the demands of attacking activists, and enact creative measures to satisfy these organizations, mitigate attacks, and maintain or increase performance. Such efforts attempt to transform activists into consumers, resources, or even allies by planning and implementing strategies that simultaneously enhance social responsibility and operational proficiency. For example, Rhone-Poulenc invested 76 million francs to recover and sell environmentally unfriendly diacids (nylon by-products) as additives for dyes and tanning, rather than to dispose of this chemical as a waste product. This investment generated an additional 20.1 million francs in revenue, offered the potential to boost the environmental reputation of the company (Porter & van der Linde, 1995), and reduced the likelihood of assault by environmental groups. The conceptual framework in this dissertation specifies the forms and effects of activist aggression,

and therefore enables entrepreneurial firms to identify attacks on related firms, to co-opt potential assailants, and to enhance competitiveness.

Driving corporate social responsibility through activist aggression. The conceptual framework in this manuscript reinforces the relevance of stakeholder theory and corporate social responsibility research. These research streams suggest firms must consider society while maximizing profitability. The threat of aggressive, competitive activists provide firms with motivation to go beyond symbolic charitable acts, to monitor and manage activists' issues and activities, and to integrate these entities into the strategic management process. The proactive consideration of activist demands provides substantial opportunities for firms to reduce destructive attacks, to develop cooperative, mutually valuable relationships with these entities, and to improve corporate standing within society without implementing costly operational changes. For example, the campaign by PetSmart Charities to avoid pet euthanasia aligns its strategy with the expectations of vocal, interested animal-rights activists. By helping three million pets gain adoption rather than face euthanasia, the strategy increases the pet population and subsequent demand for PetSmart's offerings: animal food, supplies, accessories, and training. Simultaneously, it satisfies the expectations of potentially hostile activists, prevents assaults, builds mutual value, and allows these activists to focus on other firms *without* similar policies. While my framework did not directly consider the influence of activist aggression on corporate social responsibility, it underscored the disruptive consequences for firms that ignore activist demands and non-economic responsibilities.

Governing corporate operations through activist aggression. As Frooman (1999) and Davis (2005) suggested, the nature of corporate governance continues to shift as social communities increasingly regulate corporate behavior. Activists, as representatives of social

communities, hold the potential to shift the focus of corporate governance from interest

alignment between firms and owners to interest alignment between firms and salient activists

(Mitchell, Agle, & Wood, 1997). Firms that do not prescribe to the calls and actions of hostile

activists face destructive outcomes, including resource damage, operational disruptions, and

performance attenuations. For instance, Stop Huntingdon Animal Cruelty's actions – discussed

in the opening vignette – played an unimpeachable role in disrupting the resources, transactional

relationships, operating activities, and stock market presence of Huntingdon Life Sciences. In

other scenarios, corporate giants like Home Depot and Citi acquiesced to the demands of the

Rainforest Action Network, which used a variety of damaging publicity stunts to pressure both

firms. By theorizing on activist strategies and tendencies, my conceptual framework specified

the forms and purveyors of external corporate control.

      Transforming activists into firms. Finally, activists blur the boundaries between markets

and social-movement industries by identifying and exploiting socially generated economic

opportunities. Some activists found and operate market ventures that directly compete with

firms. For example, the Environmental Defense Fund created a stand-alone, for-profit business

that provided lists with legislator contact information, so paying activists could mass lobby

public representatives. In another instance, Oxfam opened a socially responsible coffee shop to

counter the powerful coffee retailers, such as Starbucks, which treated coffee growers

unethically. Activists also can create and fund opportunities for entrepreneurs to develop new

markets. For instance, Greenpeace funded an inventor to develop portable, reusable chopsticks,

which challenged the utility of disposable-chopstick manufacturers. In another example,

activists facilitated the development of the $2.5 billion microfinance industry by providing

financial services to impoverished entrepreneurs without access to traditional lenders (Robinson,

2001). These examples illustrate that activists utilize distinct attack strategies to disrupt the corporate operations, to compete for resources, *and* to engage in traditional market-based competition. Although my framework does not explicitly consider such activities, it provides a template for firms and scholars to conceptualize activist initiation of *traditional* competition.

Future Research

This manuscript opens diverse avenues for additional research. The current section focuses on conceptual possibilities, while the next section focuses on empirical ideas. Given the focus on destructive attacks in this dissertation, the drivers, types, and outcomes of cooperative strategies and coalitions between activists and firms deserve attention. Micro-oriented scholars could provide additional detail on the psychological and sociological drivers of activist behavior, and chronicle the consequences of destructive external pressure on targets' human capital. Further inductive study is necessary to identify, explicate, and predict *functional* corporate strategies for handling different activist strategies. Such studies could provide fuller comprehension of dyadic actions and responses between activists and firms by predicting attack strategies and associated responses. Scholars can expand the boundaries of this study to scrutinize the intensity of aggression between firms and activists in diverse contexts. Just as rival firms compete in markets with varying levels of intensity (e.g., mutual forbearance versus red-queen rivalry), activists and firms likely interact in environments with varying levels of aggression. Future work also should explore differences in the nature and contextual salience of actual and potential activist aggression toward firms (i.e., the threat of attack by activists). Scholars can uncover and contextualize the effects of activist attacks on firms' governance arrangements, or discern why and how investors and boards enlist the assistance of these entities

to guide firm behaviors. It would prove useful to specify further activist roles in inter-firm

rivalry, entrepreneurial opportunity, market development, and new-venture formation.

The most basic empirical idea is to test and nuance the concepts, propositions, and

conceptual research ideas of this dissertation. Scholarly efforts could identify and associate

additional relationships between activist-specific characteristics, activist attack strategies,

corporate response strategies, and activist and firm performance. Given the problems with

measuring firm outcomes, further scrutiny is necessary to develop constructs, variables, and

measurements representative of activist competitiveness and performance. Further study of the

concepts presented here also will allow scholars to determine relationships between activist

objectives (e.g., animal rights, environmental protection, and civil rights), leadership

characteristics (e.g., education, experience, and ideology), attack strategies and targets. This

study also serves as a base from which to explore relationships between one or more attack

strategies, the specific consequences of these strategies for corporate resources, such as

reputational, financial, and human capital, and the degree to which target markets value said

strategies. Additional studies might uncover the contextual factors that influence activists'

assaults on firms, such as macro-environment factors. Other studies can define various

environments according to levels of aggression with firms *and* other activists. Scholars also can

explore factors that increase the overall prevalence of activist attacks on firms, such as salient

events (e.g., regulations, such as Sarbanes-Oxley), trends (e.g., Web 2.0), or social issues (e.g.,

the development of renewable energy). Research can compare the approaches and effectiveness

of activists as external corporate governors with traditional governance mechanisms. Finally,

empirical research can analyze the drivers and outcomes of competition between activists, and

the consequences for firms caught in the fray.

Limitations

This dissertation exhibits three minor limitations. My sample relied on media reports. As mentioned in Chapter 3, samples that depend upon media often suffer from selection and informational biases. I took steps to minimize these biases; however, it was impossible to eliminate such issues completely. Media venues – like most other sources of data – do not identify all manifestations of a phenomenon. This holds especially true for actions – such as activist aggression – that can occur privately or appear in unexpected forms. Reliance on media also calls for trust in reporters that might champion specific agendas, provide skewed information, and focus on particular types of events. My sampling approach attenuated the effects of these biases on analysis and inference by collecting information on any form of attack from numerous, diverse media venues, and extracting only hard information from focal media reports. Future study on this topic can employ diverse methodologies to validate my framework.

My methodology and conceptualization focused on activists that operate as (semi-) formal organizations. Since activists of this type appear to represent the most salient threat to firms, I did not include individuals or informal groups within the dissertation. Although this decision threatened external validity, the absence of "disorganized" activists did not affect the generalizability of my framework's core. Activists – regardless of form – utilize the same strategies to assault firms, harm corporate operations, and compete for resources. That is, the same set of aggressive actions is available to any activist or non-firm entity, whether that entity is an individual, a highly informal group, or an organization. Some of my predictions about strategic tendencies, however, might not generalize to other forms of activists. For instance, while experience might encourage homogeneous strategic tendencies across activist forms, the pursuit of legitimacy might drive different tendencies. Additionally, organizational coupling

likely does not catalyze the behavioral tendencies of individuals like it does collective actions. Future studies can explore behavioral differences across activist forms.

Finally, this dissertation focused on destructive activist strategies. Such forms of attack hold serious implications for targeted firms, necessitate corporate attention and action, and therefore require immediate scholarly attention. Although necessary and useful, attention to destructive strategies marginalized cooperative and traditional market strategies. Cooperative strategies, which forge cooperation and alliances between activists and firms, do not (threaten) harm to firms and produce mutually beneficial outcomes. The lack of potential harm and the distinct objectives, forms, and consequences of cooperative strategies called for separate conceptualizations. Traditional market strategies involve activist support or founding of socially oriented new ventures. Activist-supported or founded firms appear to be a relatively new phenomenon that blurs boundaries between non-traditional and traditional competition, represents a distinct strategy, and therefore deserves separate consideration. Future scholarship can supplement my framework by theorizing more on these strategies.

Conclusion

The purpose of this dissertation was to specify the forms of non-traditional rivalry by identifying and explaining activist attack strategies, conveying the disruptive influence of these strategies on corporate operations, and predicting activist strategic tendencies. I used a form of inductive theory building and modus operandi from competitive dynamics research to accomplish this objective. Seven hundred seventy eight brief descriptions (i.e., mini cases) of activist attacks provided an inferential base to conceptualize activist attack strategies. Each mini case described one attack, and communicated the activist(s), target(s), and tactic involved in that attack. A derivation of within- and between case analyses of thirty randomly selected attack

105

descriptions from this sample uncovered three attack characteristics. These characteristics typified individual activist attacks, and enabled the empirical categorization of these attacks into homogeneous groups. Structured content analysis of the entire sample of attack descriptions served as an additional form of within-case analysis, and yielded attack-characteristic scores for the sample.

Cluster analysis of the attack-characteristic scores served as a form of empirical, large-scale, between-case analysis, and uncovered five groups of characteristically homogeneous attacks (i.e., attack groups) in the sample. Given the theory building focus of this dissertation, the attack characteristics offered empirical premises on which to differentiate the types of activist aggression. Qualitative exploration of the attack groups yielded a key inference: attacks within these groups not only displayed similar characteristics, but also manifested through functionally related tactics. This inference indicated that the attack groups potentially represented distinct types of attack. Between-group exploration uncovered substantial tactical commonalities between some of the attack groups, and encouraged the conceptual consolidation of the five groups into three meta-groups. The three meta-groups directly represented three latent attack strategies: political, public, and private pressure. The empirical results and qualitative analysis ultimately provided a clear base to develop my conceptual framework, which explained the three activist strategies and predicted of activist strategic tendencies.

Activists operate as rational organizations, and leverage political, public, and private pressure as services for target markets in exchange for resources. Political pressure involves attacks through government systems that regulate corporate operations. Public pressure captures attacks through traditional and contemporary media that stigmatize corporate targets, damage corporate reputation, and damage interaction between firms and interested publics. This strategy

also publicizes the value of attacks on firms to target markets, and calls for resources from these markets in exchange for this service. Finally, private pressure describes attacks through non-violent and violent direct contact with corporate resources. Post-hoc qualitative analysis led to the inference of three activist characteristics – legitimacy, experience, and organizational coupling – and predictions about the influence of these characteristics on strategic tendencies. The conceptual framework in this dissertation provided useful information on the competitive behavior of an alternative organizational form; extended competitive dynamics theory and research; offered implications for practice; and provided suggestions for future research.

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Sample Article: The Wool Industry Gets Bloodied
Businessweek (Issue 4092; 7/14/2008)
Kerry Capell

It's an unlikely international cause celebre: sheep's rear ends. But because of activists at People for the Ethical Treatment of Animals, it's an issue that threatens to undermine Australia's $2.2 billion wool industry.

Forget fur and leather--PETA's latest target is wool. Australian merino wool, to be exact. The animal rights group is on a quest to get clothing companies to quit using wool from so-called mulesed merino sheep. So far, more than 30 have signed on to the ban, including Abercrombie & Fitch, Timberland, H&M, and Hugo Boss. On June 4, German sportswear giant Adidas became the latest global brand to add its name to the list. "Approaching companies with big names and deep pockets is the best way to drive change," says PETA official Matt Prescott.

PETA's gripe, mulesing, involves removing folds of skin from a sheep's hindquarters, a process named for John Mules, who devised it 70-plus years ago. The procedure, generally performed without anesthetics, guards against infestation by blowflies whose eggs hatch into flesh-eating maggots. Australian merinos are more susceptible to attacks because they've been bred to have wrinkly coats that boost wool output. Four years ago, when PETA first began lobbying against mulesing, few apparel makers had even heard of the practice. The animal rights group picked Benetton, the Italian company whose name is often associated with sweaters, as its first target. It dispatched protesters wielding placards that read "Benetton: Baaad to Sheep" to picket stores and put up a billboard in New York City with the tag line "Did your sweater cause a bloody butt?"

It worked. Benetton publicly came out in favor of phasing out mulesing. PETA has since had little trouble recruiting other clothing companies to its cause. After all, one European retailer says, who wants to be on PETA's radar screen?

Bad PR couldn't come at a worse time for the Australian wool industry. Production is at an 80-year low, a casualty of prolonged drought. Four years ago, Australian Wool Innovation, the industry's marketing, research, and development council, pledged to phase out mulesing by the end of 2010. AWI has already sunk $13 million into researching options. These range from high-tech (genetically breeding wrinkle-free sheep) to the decidedly crude (surgical clips that cause folds of skin to wither and fall off). AWI Chairman Brian van Rooyen says he is confident "there will be alternatives to mulesing ready for adoption prior to 2010."

Yet in the eyes of PETA and some retailers, the industry isn't moving fast enough. After H&M met with AWI at the start of the year, it decided to "direct our buying to mulesing-free

merino wool because the company felt the phase-out of the practice was proceeding too slowly," says Ingrid Schullstrom, H&M's corporate social responsibility manager. Hugo Boss has held workshops with suppliers to increase the amount of wool sourced from unmulesed lambs. Both companies say they have been inundated with e-mails from consumers supporting the move to unmulesed wool. "Clearly, this is something that concerns many of our customers," says Schullstrom.

Australia's 55,000 sheep farmers, meanwhile, are unhappy about being cast as barbarians. Mulesing, they say, is the best way to protect their flocks from an even worse fate: being chewed alive by maggots. Says Charles Olsson, a breeder in Goulburn, New South Wales: "We wouldn't perform this operation unless it was absolutely necessary."

APPENDIX B

Structured Content Analysis Schedule

Please read the 80 brief descriptions of attacks by activist organizations on firms attached to this schedule. Each slide offers information on one activist attack, including the attacking activists, targets (firms, industries, or institutions), and attack tactics. Please read each description carefully, and score each attack from 0 (low) to 7 (high) on three dimensions - velocity, physicality, and specificity – using the attached sheet. This schedule defines these variables, offers some points for consideration before beginning the rating process, and provides some sample ratings.

1. Velocity refers to the speed with which an attack manifests from initiation to completion. Low-velocity attacks take more than a month to complete, and merit scores ranging from 0.00 to 1.99. For example, PETA hired an individual to tour 200 high schools and to present about the evils of meat consumption; this tour likely took more than a month to complete. Medium-velocity attacks take from a week to a month to complete, and merit scores ranging from 2.00 to 4.99. For example, The Countryside Alliance organized a boycott against mass retailers in England; this boycott (like similar actions) lasted less than a month. High-velocity attacks take less than a week to complete, and merit scores ranging from 5.00 to 7.00. For example, the Animal Liberation Front firebombed a McDonald's in California; this action manifested within minutes. The following table further elaborates the rating scale for velocity.

Duration of attack	Score
Hours	7
Day	6
Days	5
Week	4
Weeks	3
Month	2
Months	1
Year (s)	0

2. Physicality represents the degree to which an attack damages tangible corporate resources. This variable does not gauge the degree of damage to a target's resources. For instance, ALF's attack on the McDonald's in California did not devastate a large portion of the company's resources, but the activists' actions undoubtedly affected tangible plant property and equipment. Low-physicality attacks yield no damage or damage intangible corporate resources (e.g., corporate reputation among the public and secondary stakeholder groups); such attacks merit scores ranging from 0.00 – 1.99. PETA's high school tour, for instance, affected the reputations of firms in meat-related industries

through interaction with students. Moderate-physicality attacks damage partially tangible resources (e.g., primary stakeholder perceptions, corporate income, and employee productivity); such attacks merit scores ranging from 2.00 to 4.99. The Countryside Alliance, for example, affected mass retailers' reputation among consumers and attenuated corporate income. High-physicality attacks yield damage to tangible corporate resources (e.g., plant, property, and equipment); such attacks merit scores ranging from 5.00 – 7.00. For example, ALF's attacks on McDonald's damaged the company's income, plant, property, and equipment. The following table further defines the rating scale for physicality.

Resources affected	Score
Plant, property, and equipment	7
Websites	6
Income (reported revenue and cash)	5
Employee productivity	4
Primary stakeholder perceptions	3
Secondary stakeholder perceptions	2
Public perceptions	1
No perceptual effect	0

3. Specificity describes the degree to which an attack targets specific firms, groups of firms, industries, or institutions (i.e., entire sets of firms in a social field). Low-specificity attacks focus on loosely defined groups of firms and institutions; such attacks merit scores ranging from 0.00 – 1.99. For example, PETA's high-school tour challenged the social acceptability of meat consumption, as well as any firm involved in meat harvesting, processing, and selling. Moderate-specificity attacks target multiple or individual industries; such attacks merit scores ranging from 2.00 – 4.99. The Countryside Alliance's boycott, for example, targeted a particular industry in England. High-specificity attacks targeted particular firms; such attacks merit scores ranging from 5.00 – 7.00. ALF's firebomb, for example, targeted a McDonald's retail outlet in California. The following table further defines the rating scale for specificity.

Firms targeted	Score
One firm	7
Few firms	6
Defined group of firms	5
Individual specific industry	4
Multiple specific industries	3
Multiple abstract industries	2
Abstract groups of firms	1
Institutions (e.g., all firms in the US)	0

This portion of the schedule provides sample attack descriptions, ratings of these attacks, and justification for these ratings. Please refer to this section for clarification on how to rate each attack's velocity, physicality, and specificity. If you still have questions, please contact me so I can provide additional information.

1. King's Cross Railway Lands Group challenged a massive London redevelopment project in the English high court. The group wanted the majority of the development to provide affordable housing; developers, however, slated the development for commercial use.

Velocity: 0 or 1	Physicality: 4 or 5	Specificity: 5
King's Cross's lawsuit took more than a month to reach a settlement or a court decision.	King's Cross's lawsuit sapped targets' employee productivity and finances, and threatened to reduce the development's profitability.	King's Cross's lawsuit focused on a specific set of firms aiming to develop and use the land commercially.

2. The Rose Foundation for the Communities and Environment submitted a request to the SEC that called for all public companies to identify environmental liabilities and to report those liabilities in 10-K forms.

Velocity: 0 or 1	Physicality: 4 or 5	Specificity: 0
The Rose Foundation's lobbying efforts took more than a month to influence regulatory outcomes.	The Rose Foundation's lobbying effort hijacked employee productivity and finances (to counter-lobby), and threatened to force firms to engage in costly reporting.	The Rose Foundation's lobbying effort targeted all industries in the U.S.

3. Citizens for Community Values (CCV) ran a one-day, full-page ad in *U.S.A. Today* that criticized the availability of pornographic movies in hotels.

Velocity: 6	Physicality: 3	Specificity: 3
CCV's advertisement appeared for one day in *U.S.A. Today*.	CCV's advertisement attenuated the reputations of targeted industries among the public and stakeholder groups.	CCV's advertisement targeted two particular industries (pornography and hospitality).

4. Chem Sec (CS) released a statement to the press that criticized the European Commission for failing to classify numerous chemicals as hazardous.

Velocity: 5	Physicality: 0	Specificity: 1
CS circulated this statement to various media sources within a few days.	CS's press statement dealt mainly with the EC, rather than the hazard posed by the chemical industry, and did not yield much effect on corporate reputation.	CS's press statement targeted any industry that used problematic chemicals.

5. Greenpeace and Friends of the Earth developed a website - StopEsso.com - to communicate the environmental harm caused by Esso Oil Company; to claim that the company should operate in a more environmentally friendly manner; and to urge supporters to pressure the company to make changes to this end.

Velocity: 0, 1, or 2	Physicality: 2	Specificity: 7
Once developed, Greenpeace, FOE, and P&P made the website available and continued to modify and to publicize it over time.	Greenpeace, FOE, and P&P's website affected the company's reputation among supporters of these groups and interested publics.	Greenpeace, FOE, and P&P's website focused on a specific firm – Esso.

6. PETA met with and pushed Adidas management to stop purchasing wool from Australian wool farmers, because they utilized the mulesing technique on livestock (an allegedly inhumane surgical procedure).

Velocity: 7	Physicality: 4	Specificity: 7
This particular meeting took a few hours.	This action by PETA affected top management productivity, influenced their decision-making, and threatened to disrupt their supply chain.	PETA met with one firm - ADIDAS.

7. Greenpeace demonstrated at Nestle offices to protest the company's use of palm oil from non-certified sources. The demonstrations pushed the company to buy only from certified producers, which often charge more for palm oil.

Velocity: 6	Physicality: 3	Specificity: 7
Each Greenpeace demonstration was organized and conducted during the course of one day.	Greenpeace's demonstrations affected corporate reputation among various publics, secondary stakeholders, and primary stakeholders.	The protests focused on Nestle.

8. Stop Huntingdon Animal Cruelty (SHAC), demanding that Huntingdon Life Science (HLS) cease research on animals, threw rocks through the window of an HLS lab employee's home in New Jersey and overturned his car.

Velocity: 7	Physicality: 7	Specificity: 7
SHAC conducted this attack within a few hours.	By battering one HLS employee, SHAC damaged a tangible asset, and affected the psyche, sense of security, and ultimately the productivity of all HLS employees.	SHAC's violence focused on HLS.

9. Earth Liberation Front (ELF) attacked a private Canadian golf course by spraying anarchist/communist graffiti on buildings, gouging chunks out of the greens, and using turpentine to spell out slogans such as "capitalists go home" on the greens.

Velocity: 7	Physicality: 7	Specificity: 7
ELF's attack on the golf course (likely) took a few hours.	ELF's attack destroyed plant, property, and equipment and forced significant repairs to the golf course.	ELF's attack focused on one golf course.

There are three things to consider before beginning. First, rating each attack will require you to make inferences from each attack description about the attack's velocity, physicality, and specificity. Second, some activists will attack one firm with the intention of harming another. In such cases, rate the attack reported in the description (e.g., if Greenpeace attacks Firm A to harm Firm B, please rate the attack on Firm A). Finally, if you do not understand certain attack descriptions or if you believe there is not enough information, please contact me ASAP, so I can supplement those descriptions.