Abstract

Although organizational theorists have given much attention to how environments shape organizations, they have given much less attention to how organizations mold their environments. This paper demonstrates what organizational scholars could contribute if they were to study how organizations shape environments. Specifically, the paper synthesizes work by historians, political scientists and students of corporate political action to document how corporations systematically built an institutional field during the 1970s and 1980s to exert greater influence on the US Federal government. The resulting network, composed of nine distinct populations of organizations and the relationships that bind them into a system, channels and amplifies corporate political influence, while simultaneously shielding corporations from appearing to directly influence Congress and the administration.

Keywords: corporate power, corporate political action, institutional fields

The Path not Taken

Anniversaries are occasions for celebrating. They are also times for stocktaking, looking forward, and charting new courses. As David Hickson and the other founding editors of Organization Studies wrote in their inaugural editorial 30 years ago, Organization Studies was established to ‘reduce academic ethnocentrism’, to foster a ‘diversity of paradigms’, and ‘especially to look at organizations as both the implements of societies and as institutions which shape the societies that use them’ (Hickson et al. 1980: 1–2, emphasis added). Because Organization Studies long ago achieved and continues to achieve the first two objectives (Hinings 2010; Üsdiken 2100, both this issue), I shall focus on the third; not as a measure of Organization Studies, the journal, but rather of organization studies, the field. This is as it should be, because it is from the vantage point of a discipline that stocktaking and chart making are appropriate, even when commemorating a flagship journal’s birth.

Organization studies did not begin to coalesce as a field until after World War II. For a variety of reasons, scholars awoke after the war to the reality that we now lived in a society dominated less by communities and towering figures of
business than by formal organizations and anonymous managers in gray flannel suits.¹ By and large, research in the 1940s, 1950s, and early 1960s focused on processes and structures inside organizations as scholars strove to document the dynamics of bureaucracy (e.g. Michels 2009 [1915]; Gouldner 1954; Blau 1955; Simon 1957; Woodward 1958; Etzioni 1961). Nevertheless, here and there throughout the 1950s and 1960s scholars mused on and occasionally explored the wider implications of a society whose building blocks had become formal, often bureaucratic, organizations (Selznick 1949; Boulding 1953; Hunter 1953). In an essay published in the inaugural issue of the Administrative Science Quarterly, Talcott Parsons (1956) laid out three mandates for organizational theory: documenting the internal operations of organizations, studying how organizations adapt to the situations they face, and attending to how organizations influence the larger socio-cultural context in which they are embedded. For another decade, organizational theorists largely ignored Parsons’ second and third mandates.

In the late 1960s, however, a change occurred. Scholars discovered ‘the environment’. If you like dated turning points, 1967 is a good candidate. That year saw the publication of books by James Thompson, Organizations in Action, by E. J. Miller and A. K. Rice, Systems of Organization, Paul Lawrence’s and Jay Lorsch’s Organization and Environment, and the article by Charles Perrow, ‘A Framework for the Comparative Analysis of Organizations’. These works drew the field’s imagination to Parsons’ second mandate and to the idea that Burns and Stalker (1961) had articulated a few years earlier: organizations are systems that are shaped by and that adapt to their environments, in particular, their technological and economic environments.

Because systems theory was influential in drawing organizational theorists’ attention to the environment and because it drew inspiration from cybernetics, one might assume that researchers would have emphasized reciprocal relations between organizations and environments. But, with the exception of a handful of researchers influenced by Pfeffer and Salancik’s (1978) resource-dependence theory, they did not. How environments affect organizations became, and largely remains, the overriding agenda. By comparison, students of organizing have directed little attention to how organizations alter their environments. To be sure, Perrow (1972, 2002), Clegg (1989), Clegg and Dunkerly (1980), Courpasson (2008), and Courpasson and Clegg (2006) have tirelessly sought to draw our attention to the social consequences of corporate power, an issue of far greater concern among European than among American organizations theorists (Mouzelis 1968; Coligon and Cray 1980; Dunkerley et al. 1980; Rus 1980). But, even in Europe, most work on power focuses on what occurs inside organizations. Mizruchi (1992), Davis (2009), Flistein (1993, 1996), Clawson et al. (1998), Knack (1990), Roy (1997), Preschel (2000), Useem (1984), Walker (2009), Edelman and Suchman (1997), and Edelman et al. (2001) have examined how organizations wittingly or unwittingly influence markets, politics, and law. A small cadre of scholars who have published most frequently in Business and Society explore corporate political action (Schuler 1999; Hillman 2003, 2005; Hillman et al. 2004), albeit usually from the corporation’s rather than society’s point of view. Yet, as notable as this work may be, it remains the exception that highlights the rule.
In contrast, the average citizen is fully aware that firms spend considerable sums on public relations, government relations, and advertising, all of which are designed to mold some aspect of their environment. Laymen might, therefore, be forgiven for assuming that organization theorists would have studied these processes. A search of the database ABI-Inform for articles published in the *Administrative Science Quarterly*, *Organization Studies*, the *American Journal of Sociology*, and the *Academy of Management Journal* on public relations, government relations (also public affairs), or advertising suggests otherwise. Since 1980 (the year of *Organization Studies*’ founding), three articles have appeared in these four journals that mention public relations: one concerns legitimation (Elsbach 1994), one focuses on how firms manage crises (Markus and Goodman 1991), and the other is an ethnography of the culture of a public relations department (Filby and Willmott 1988). There have been five articles that mention public affairs or government relations, two of which were authored by Douglas Schuler and his collaborators (Bhambri and Sonnenfeld 1988; Meznar and Nigh 1995; Schuler 1996; Schuler et al. 2002; Bonardi et al. 2006). Nine articles mention advertising but, in all but two cases (Fry et al. 1982; Philips and Brown 1993), an advertising firm was the site for investigating something else (Knights and Roberts 1982; Ibarra 1992; Ibarra and Andrews 1993; Alvesson 1994; Grabher 2003; Breschak 2004; Von Nordenflycht 2007). Among the papers that speak to how advertising, public affairs, or government relations improve the situations of firms, none ask how these activities affect customers, the public, or democratic governance. Thus, 30 years after Hickson et al.’s editorial, and over 50 years since Parsons’ essay, organization theorists have yet to tackle seriously organizations as ‘institutions ... that shape the societies that use them’ (Hickson et al. 1980: 1–2). Young scholars looking to make a significant mark on the discipline would have a hard time finding a less crowded niche for constructing a career.

Over the last decade, several papers have intermittently chastised the discipline for this oversight, urging us to pay greater attention to how organizations, in general, and corporations, in particular, affect other sectors of society (Stern and Barley 1996; Hinings and Greenwood 2002; Courpasson 2008; Zald and Lounsbury, forthcoming). Collectively these authors offer a variety of reasons for why we have avoided studying phenomena that are discussed almost daily by journalists in major newspapers. The most prominent include the migration of organizational theory from departments of sociology to business schools, the blending of organizational sociology with management studies, the field’s dis-taste for grappling with corporate power, the decline of research on elites, a concern with methodological precision, and the growing pressure for frequent publication, which militates against projects that require the patience, if not the skills, of a historian and a taste for the *longue durée*.

I do not want to reiterate or elaborate these critiques. Another sermon will get us nowhere. Rather, my goal is pragmatic. I want to demonstrate to organizational theorists that we could bring more to the larger academic table if we took the question of how organizations mold their environments seriously. To do so, I will offer a preliminary and admittedly sketchy answer to a single question: how have corporations used organizations to influence the US government? I focus on the United States simply because this is the system that I know best.
The specifics of the case that I outline are likely to be different from those found in other societies, if for no other reason than laws and institutions vary across nations. Nevertheless, I suspect that functionally similar phenomena characterize other societies: there is no reason to believe that corporations would confine their attempts to influence policy to the American context.

Although organizational scholars have largely ignored the question of how corporations mold government, historians, economists, and political scientists have not, but they rarely approach the topic from the vantage point of a student of organizing. They view corporate political power as an indicator of broad ideological change, as a problem in markets for votes and policies, as a window onto a changing government, or as evidence of the emergence of new legal and economic doctrines. Organizations and the systems they form, the strategies they use, and the actions they take remain in the background, as does an appreciation for social structure and the power it exerts. For this reason, as I hope to show, organizational theorists have an opportunity to contribute significantly to the discussion.

To develop my argument, I will draw on research by a potpourri of political scientists, historians, journalists, sociologists, and students of corporate political action. My modus operandi will be to sift through and reassemble their work with an organizational theorist’s eye, to make the case that we already possess concepts that could be aimed fruitfully at the problem. Specifically, I shall focus on the utility of concepts employed by organizational institutionalists because they seem particularly well tuned for the task (Greenwood 2008). My thesis is this: during the 1970s and 1980s American corporations built, partially intentionally and partially unintentionally, an institutional field for shaping public policy. By institutional field, I mean a set of organizational populations and the relations that embed members of these populations into a social system or network with a purpose.²

I begin with the story of why corporations felt a need to construct such a field and by enumerating the organizational populations that came to comprise the field. These populations represent an example of what Zald and Lounsbury (forthcoming) refer to as ‘command posts’: ‘centres of societal power … that regulate, oversee and aim to maintain social order in society and economy’. To their verbs, I would add ‘change’. In discussing the populations, I will draw attention to their growth and to the ‘linkages’ that structure the populations into a field or system. After explicating the resulting network, I then propose several tentative, but I believe empirically tractable, ideas for further research.

**Challenging Corporate Power, albeit briefly**

Corporations have played the game of influencing policy since the corporate form first emerged (see Coleman 1974; Kaufman 2008). The East India Company, one of the first corporations, had little trouble affecting English policy because it was incorporated by the Crown and its shareholders were members of Parliament (Bowen 2008). The interests of the company and the government were so entwined that the Crown granted it a monopoly on trade with a sizable chunk of the world. In fact, the British government let the company rule India
and the Far East, where it flew its own flag and maintained a standing army and navy to enforce its monopolies. The verb, to lobby, also comes from 17th-century England, where it ‘referred to the entry hall in the British House of Commons, where those who were not members of government could meet those who were and plead their case’ (Baumgartner and Leech 1998: 33). But the term’s modern association with organized interests seeking favors from politicians in exchange for money is decidedly American and came into use during the 19th century after the formation of political parties in 1824.3

Corporate attempts to influence US policy have long traveled along relationships that channel flows of cash, favors, access and people.4 In the early years, these exchanges were blatant and personal. Early American politicians bought liquor for voters in hope that the whiskey would sway their votes and persuade them to open their purses. After 1824, when parties formed, politicians used political appointments to reward financial supporters. Contracts were also granted to corporations with the understanding that recipients would contribute to the office holder and the party that secured the contract.

With the passage of the Civil Service Reform Act (1883) outlawing patronage and preferments, businesses, especially the trusts, became a primary source of political funding. Outrage over the flow of corporate money into political campaigns and the trusts’ influence led to the Tillman Act of 1907, which made it illegal for corporations to contribute to elections from their treasuries. But enforcement of the law was lax, and corporations continued to influence federal policy in a myriad of ways ranging from campaign contributions from corporate officers to lobbying politicians through trade associations. Collective action by corporations, however, was relatively rare. It was not until the mid-1970s that firms began to organize specifically to shape federal policy (Vogel 1989). Political scientists suggest the reasons are to be found in the economic, political, and cultural climate of the 1960s and early 1970s.

The 1960s and early 1970s were a period of considerable prosperity in the United States. Vogel (1989: 8) has argued that business tends to lose political influence during times of prosperity and regain it when the economy deteriorates. Whether or not business’s fortunes fluctuate with the population’s perception of its well-being, the American public’s view of business clearly tarnished during the late-1960s. Between 1967 and 1974, the percentage of Americans expressing ‘a great deal of confidence’ in business leaders fell from 51 percent to 16 percent (Lipset and Schneider 1983: 48). By 1976, 82 percent of Americans felt big business had too much power (McCloskey and Zallef 1984: 184).

The era also saw the birth of environmental and public interest groups, which quickly learned to work together against corporations in Congress and the courts. Common Cause, Friends of the Earth, the Natural Resources Defense Council, Public Citizen, Environmental Action, the Center for Law and Public Policy, the Consumer Federation of America, and other groups were all founded between 1967 and 1971. Vogel writes (1989: 94): ‘By 1976 there were eighty-six public law firms, collectively employing approximately 575 lawyers and 450 other professionals. Only 16 percent of these firms existed in 1968; two thirds had been formed between 1969 and 1973.’

In part, because of lobbying by such groups and, in part, because of changing public opinion, business suddenly suffered a string of political defeats. By 1972,
Nixon had imposed wage and price controls to slow inflation, and Congress had raised corporate taxes and passed several high-profile laws protecting the environment and consumers. Most importantly, Congress created three new regulatory agencies: the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission. These agencies differed significantly from the Federal Communication Commission, the Civil Aeronautics Board, the Security and Exchange Commission, and other regulatory agencies founded before World War II. The older agencies had authority, at best, over a handful of industries. Over time, these industries had settled into well understood and generally congenial relationships with their regulators to form what political scientists call ‘sub-governments’ or ‘iron triangles’ (Bernstein 1955; Gais et al. 1984). In contrast, the new agencies were to regulate nearly all industries as well as small businesses, which had previously been untouched by regulation.

The increasingly ‘redistributive’ and ‘regulatory’ tenor of government (Gais et al. 1984) was greeted with broad hostility in corporate and small business circles (Eismeier and Pollack 1986; Harris and Milks 1989; Bowman 1996). The combination of ‘social regulation’, the sudden influence of well organized public interest groups, and an increasingly hostile public, which included a radical fringe that had little compunction about bombing corporate headquarters, caught corporate America by surprise (Schlozman and Tierney 1983). The combination became the impetus for a social movement aimed at defeating the public interest groups, creating a more business-friendly climate, reining in the new regulatory agencies, and electing a pro-business government (Peschek 1987; Clawson and Neustadt 1989; Bowman 1996). Organizations were the tools that the movement learned to wield. Out of the relations between these organizations emerged an institutional field in the late 1970s and early 1980s.

Building an Institutional Field

Business finds unity

Although it would be a mistake to argue that those who agitated for change foresaw the structure of the institutional field that would emerge, the mobilization was intentional. It had leaders and a broad base of well financed support. Three-quarters of the respondents in a 1975 survey by the Harvard Business Review were pessimistic that America’s commitment to private property and limited government would survive the next decade (Vogel 1989: 145). A year later, Fortune found that 35 percent of the CEOs of the Fortune 500 believed that ‘government was the most serious problem faced by business in general’. Michael Useem, who interviewed executives of top US firms in the late 1970s and early 1980s, found similar dissatisfaction as well as readiness to mobilize:

‘Executives of the large American corporations reported … that all were experiencing increasingly burdensome federal demands and that a joint counteroffensive was overdue … All asserted that the continued expansion of regulation required concerted political counteraction [and] … many firms began to devote company resources to political ends. Company advertising space was given to issue promotion rather than product claims; top

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managers increasingly accepted invitations to defend business in the electronic and print media; and corporations set out to cultivate better relations with journalists, academics, and other influential opinion makers. Business money also increasingly flowed directly into political campaigns and organizations devoted to fostering a political climate more favorable to business.’ (Useem 1983: 295–96)

As former Federal Trade Commissioner Michael Pertschuck put it, in the 1970s ‘corporate individualism — the narrow pursuit of individual company goals — gave way to the new corporate collectivism’ (cited in Eismeier and Pollock 1988: 5). Burt F. Raynes, Chairman of the National Association of Manufacturers, explained in 1975: ‘The interrelationship of business with business is no longer so important as the interrelationship of business with government’ (cited in Levitan and Cooper 1984: 15).

Sociologically speaking, business now found the unity it needed to actualize its potential power, precisely what pluralists such as Dahl (1958) were convinced was absent among the corporate elite (Useem 1982, 1984; Clawson et al. 1986; Mizruchi 1990a, 1990b, 1990c). The enemy around which business united was not just the government, but more importantly the environmentalists and the public interest groups. In a survey of corporate lobbyists, Schlozman and Tierney (1986: 284) found that corporate agents considered public interest groups to be more of an enemy than organized labor (53 percent as against 19 percent).

Populations

Peak Organizations

Organizations that political scientists call ‘peak organizations’ were critical in enrolling firms and executives in the pro-business movement. Peak organizations are associations of other organizations, which, as members, fund the peak organization’s operations. Peak organizations are well situated to become command posts for influencing firms and industries. During the 1970s an array of peak organizations were founded or revitalized, and many relocated to the nation’s capital to be closer to policy makers. Trade associations are industry-specific peaks. Between 1960 and 1987 the number of trade associations with Washington offices doubled. Vogel (1989: 199) noted that in 1977, alone, the number of trade associations with offices in Washington grew by 21 percent. Trade associations, however, were not the most important advocates of corporate political organizing. Far more influential were organizations that spanned industries. I shall reserve the term peak organization for pan-industry associations. These include the US Chamber of Commerce, the National Federation of Independent Businesses, and The Business Roundtable.5

US Chamber of Commerce

Before the 1970s, the Chamber of Commerce’s political influence was limited by its unfettered free market and anticommunist ideology. As Vogel (1989: 199) points out, however, the Chamber’s ‘stature and membership increased dramatically during the 1970s’. In 1967, the Chamber had 36,000 members; in 1974, 80,000 companies belonged. By 1984, the Chamber had become the ‘preeminent voice of American
business’, with 257,000 member organizations and a Washington staff of 1,400. The Chamber gained greater legitimacy with Reagan’s election. Unlike previous administrations, the Reaganites preferred consulting with the Chamber than with the Business Council or the Committee for Economic Development, which were deemed too willing to compromise with liberals. Richard Lesher, the Chamber’s president from 1975 to 1997, remarked that the Chamber’s ‘main mission in life is to influence the United States Congress’ (Green and Buchsbaum 1980).

The Chamber’s renewal was strongly shaped by a memo written in 1971 by Lewis F. Powell to the Chamber’s director two months before Nixon nominated Powell to the US Supreme Court. The memo, which remained secret until after Powell’s confirmation, advised the Chamber to battle for business’s image and interests by fighting the opposition in the courts, by funding reputable social scientists who would lend credibility to free market philosophies, by using the media to distribute pro-business perspectives, and by evaluating textbooks used in social science courses.

Arguably, the memo became the Chamber’s business plan. In 1977 it set up the National Chamber Litigation Center, a business-oriented, public interest law firm that ‘promote[d] the private enterprise viewpoint before courts and regulatory agencies’ (Levitan and Cooper 1984: 20). By 1980 it had set up 2,700 Congressional Action Committees, each composed of about 30 executives who knew their representatives or senators personally. In 1982 the Chamber launched the American Business Network, or Biznet, which served as a nationwide communication system to provide news and commentary and to promote lobbying and corporate political action. For instance, one of Biznet’s first programs was a four-hour closed circuit program beamed to 200 corporations that discussed Congressional races and handicapped candidates (Sabato 1984).

**National Federation of Independent Businesses**

Founded in 1943, the National Federation of Independent Businesses’ (NFIB) members are small firms, 80 percent of which in 1984 employed less than 20 people. According to Levitan and Cooper (1984), the NFIB was ‘largely a paper organization until the 1970s’. Between 1970 and 1979, its membership grew from 300 to 600,000 firms. By then, the NFIB employed 600 full-time employees, two-thirds of whom were field agents responsible for recruiting new members and communicating between local members and government officials. By 1978 the NFIB had a Washington office with 20 staff, including 11 lobbyists (Vogel 1989: 199).

**The Business Roundtable**

In 1972 three politically active, anti-labor business groups, the Labor Study Group, the Construction Users Anti-Inflation Roundtable, and the March Group, merged to form The Business Roundtable. The Roundtable’s members were and remain exclusively the CEOs of the leading industrial, financial, and service corporations in the United States. Membership in the Roundtable has varied from between 150 to 200 corporations, which collectively represent a significant percentage of the American economy. Green and Buchsbaum (1980: 66) remarked that ‘if the Business Roundtable were a country, its GNP would be second only to that of the United States’.
The Roundtable was founded on the premise that business would be more politically successful if CEOs lobbied Congress and the administration personally. Its members have preferred to work behind the scenes. When testifying before Congress, they rarely do so as members of the Roundtable. Useem (1982) reported that the Roundtable’s CEOs were bound by strong norms that precluded them from advocating for parochial interests. They should speak instead for the collective needs of business as a whole. He also reported that the Roundtable intentionally grooms CEOs for service on government committees and that it screens executives for their ability to speak for the whole before endorsing them for Federal positions.

**Political Action Committees**

In addition to making campaign contributions, testifying before Congress, and lobbying the Federal Government, peak organizations played a key role in spreading a second population of organizations: corporate political action committees (PACs). PACs are non-profit organizations established by corporations, unions, trade associations, citizen’s groups, and individuals (usually members of Congress) to raise and distribute funds for the purpose of electing or defeating candidates running for office. PACs not only contribute to campaigns but can advocate political positions via TV commercials, newspaper advertisements, and direct mail campaigns.

A corporation usually establishes a political action committee at the behest of its CEO, the corporation’s public affairs officer, or both (Sabato 1984). Most corporate PACs have a governing board, appointed by the CEO, whose members often include the firm’s public affairs executive, its legal counsel, and a finance executive (Handler and Mulkern 1982). Representatives of middle management may also sit on the PAC’s board, but boards rarely include stockholders. Davis (1992) reported that executives exerted considerable influence over their PAC’s direction, but not over its day-to-day operation. Scholars concur that employees who contribute to a corporate PAC have little or no say over which candidates receive support (Handler and Mulkern 1982; Sabato 1984; Davis 1992; Clawson et al. 1998).

PACs were originally invented by the AFL and the CIO, in the 1940s, to skirt a wartime ban on unions funding campaigns directly from their treasuries. Trade and professional associations, rather than firms, formed most early business-oriented PACs in the 1960s as counterweights to labor PACs. By 1976, after Congress enacted a series of laws aimed at reforming campaign contributions (including the Federal Election Campaign Act of 1971), and the Supreme Court ruled on the laws’ constitutionality (in *Buckley v. Valeo* 1976), the legality of corporate PACs was settled. The Court held that corporations and other organizations could form PACs and that the government could limit their campaign contributions, but it ruled that limits on spending for other forms of political advocacy violated the First Amendment’s right to free speech. Thus, PACs could spend unlimited sums of money on political advertising, as long as they did not explicitly advocate the election or defeat of a particular candidate.

The founding of corporate PACs subsequently exploded. Figure 1 plots the number of business (corporate + trade association), union, and unconnected PACs operating annually from 1974 to 2008. In 1974, business accounted for
67 percent of all PACs (of these 89 were corporate PACs); labor accounted for 33 percent. Beginning in 1975 the number of business PACs skyrocketed and continued to grow until 1989. In 2008 business still accounted for over 62 percent of all PACs, but labor’s share had fallen to 7 percent.

By the late 1970s peak organizations were actively helping corporations to form political action committees and had begun suggesting which candidates corporate PACs should support. As early as 1972, the Business Industry Political Action Committee (BIPAC), which was founded by the National Association of Manufacturers in the early 1960s, began holding monthly briefings during election years for PAC managers on pro- and anti-business candidates. By 1980, 61 percent of all corporate PACs had become affiliated with BIPAC and 59 percent were affiliated with the Chamber of Commerce’s PAC, the National Chamber Alliance for Politics (Vogel 1989: 208). In 1975 the Public Affairs Council (a professional organization for government affairs officers) began hosting seminars on how to organize and administer political action committees. It produced a film, *PACs Under Fire*, which firms could customize to recruit contributors. In 1983, the Public Affairs Council began editing the *Corporate PAC Newsmemo* to ‘alert PAC leaders regularly to new facts and materials they [could] use to help spread the word about the positive aspects of PACs’ (Sabato 1984: 48). During this era, trade associations established three other bellwether PACs to coordinate business PACs including the National Association for Association PACs, the Congressional Small Business Campaign Committee, and the National Association for Business Political Action Committees (Sabato 1984:47).¹¹
In 1978, Justin Dart, CEO of Dart Industries, and Donald Kendall, CEO of PepsiCo and head of the Business Roundtable, distributed letters to the heads of corporate PACs urging them to cease supporting incumbents, especially incumbent Democrats. The two letters ‘expressed shock that so much corporate-PAC giving seemed to be so little attentive to candidates’ records “on the broader free enterprise issues”’ (Handler and Mulkern 1982: 8). Dart went further than Kendall in arguing that corporations should work to change the political composition of Congress. Ronald Reagan concurred. In a speech to corporate government affairs officers, Reagan quipped: ‘The best thing you can hope for by following an anti-business incumbent contribution policy is that the alligator will eat you last’ (Handler and Mulkern 1982: 8).

Attempts to coordinate corporate PACs were successful. Clawson, Neustadtl, and their colleagues conducted a series of studies examining the network of political action committees formed by contributions to political candidates in each election from 1976 to 1986 (Neustadtl and Clawson 1988; Clawson and Su 1990; Neustadtl et al. 1991; Su et al. 1995). They confined their analysis to PACs that contributed a total of US$25,000 or more per election. Although such PACs comprised a small percentage of all corporate PACs operating in every election, they accounted for the majority of contributions. For example, the 243 PACs that met this criterion for 1980 represented 19 percent of active corporate PACs, but 73 percent of all corporate money given that year.

Neustadtl and Clawson (1988) found that the network of contributions in 1980 was dominated by a connected subgraph composed of 120 PACs (50 percent of the sample). Compared to other political action committees, members of the dominant cluster (a) contributed more money, (b) gave more to conservative candidates, and (c) gave less money to incumbents. Smaller clusters were primarily associated with region or industry. A similar structure marked every election the researchers examined (Su et al. 1995). The size of the dominant cluster grew steadily until 1986, when membership declined from 163 to its 1984 peak of 206 PACs. The organizations that belonged to the bloc remained relatively stable. Seventy-seven percent of the members of the bloc in 1978 were still members in 1986.

Government Affairs Offices

Establishing PACs was one path by which corporations organized to influence their political environment. Forming government affairs offices was a second. Government (or Public) Affairs Offices are classic, boundary-spanning units whose members monitor government actions and lobby on behalf of a firm. Unlike PACs, which are legally separate organizations, government affairs offices are arms of corporations. Although corporations may run government affairs out of their headquarters, political scientists take the founding of an office in Washington DC to be a measure of political activism. Between 1961 and 1982 the number of corporations with Washington offices increased tenfold (Loomis and Cigler 2002: 11). In 1961, only 50 corporations had government affairs offices in Washington. By 1968 the number was 100 and by 1978 the number had grown to 500 (Vogel 1989).

The focus of Washington offices also shifted. ‘In 1979 the president of an executive recruiting firm remarked, “Companies used to staff their offices with
unelected congressmen or members of the ‘old boy’ network, but now they need people who can put forth an intelligent case on complex issues”’ (Vogel 1989: 197). Schlozman and Tierney (1986: 67–68) calculated that 70 percent of the 6,601 organizations listed in the 1981 edition of Washington Representatives were dedicated to corporate interests. Among those with Washington offices, 21 percent were corporations, 31 percent were trade and business associations, and 15 percent were professional associations. Citizens groups and unions accounted for 9 percent and 3 percent respectively.

Public Relations Firms

Peak organizations and corporate PACs quickly began to imitate the grassroots organizing that had proven so successful for the environmentalists and public interest groups (Schlozman and Tierney 1986: 293–294). For business, mobilizing the grassroots ideally meant persuading employees, customers, suppliers, and citizens to contact their representatives to support or oppose a bill. Akard (1992: 602) wrote that corporate ‘grassroots programs were rare before the mid-1970s. According to a 1979 Conference Board study, over 61 percent of existing grassroots programs were set up after 1975.’

Except for the largest peak and trade associations, running an effective grassroots program was difficult. Most firms had no real grassroots to which they could appeal, and they lacked the skills, experience, and technology to organize a broad base of support. Moreover, firms and peak organizations with the wherewithal often preferred to remain aloof from the organizing effort, to make a more convincing case that uprisings were spontaneous. Accordingly, corporations turned to public relations firms. Such firms had knowledge of how to conduct polls, organize letter writing campaigns, and place their messages before the public. For example, in the fight against establishing the Consumer Protection Agency (1977–1978), the Business Roundtable hired the North American Precis Syndicate to:

‘produce negative articles, ads, cartoons and prepackaged editorials about the CPA that were distributed free to hundreds of small daily and weekly newspapers, which often published them verbatim without acknowledgment of the source. These published “grassroots” opinions were then collected and sent to legislators as evidence of negative public opinion.’ (Akard 1992: 56)

Initially, most of the public relations firms that became involved in grassroots organizing had provided PR services to firms for non-political reasons. Quickly, however, they established departments that focused on political advocacy, and new firms specializing in grassroots organizing emerged. Walker (2009: 93) has recently shown that the founding of grassroots lobbying firms burgeoned around 1979 and continued to grow until 1989, when it peaked at 25 per year. Silverstein (1998) offered an account of how PR firms run grassroots campaigns:

‘At a 1994 conference attended by dozens of corporate “grassroots specialists” … a public relations executive … claimed her outfit could parachute into a community and within two weeks “have an organization set up and ready to go” … The key to success is looking local. “It’s important not to look like a Washington lobbyist. When I go to a zoning board meeting I wear absolutely no make-up, I comb my hair straight back in a ponytail,
and I wear my kids’ old clothes” … Speaking to the same conference was John Davies of Davies Communications … [who] explained how his telemarketers produce “personal” letters from real folks: “We want to assist them with letter writing. We get them on the phone, and while we’re on the phone we say, ‘Will you write a letter?’ ‘Sure.’ ‘Do you have the time to write it!’ ‘Not really.’ ‘Could we write the letter for you? I could put you on the phone right now with someone who could help you write a letter. Just hold, we have a writer standing by!’ ‘We hand-write it out on ‘little kitty cat stationery’ if it’s an old lady. If it’s a business, we take it over to be photocopied on someone’s letterhead. [We] use different stamps, different envelopes.” Getting a pile of personalized letters that have a different look to them is what you want.’ (Silverstein 1998: 90–91)

Law Firms and Lobbying Firms

The staff of trade associations, peak organizations and corporate government relations offices directly lobbied members of Congress and the administration to present their perspective on pending legislation. These organizations also hire Washington law firms and free-standing lobbying firms to advance their case. In 1963, Bauer, Pool and Dexter published an important study of business lobbying based on a survey of 166 lobbying firms. Only 37 of the firms had had any communication with Congress in the previous two years. They wrote:

‘When we look at a typical lobby, we find that its opportunities to maneuver are sharply limited, its staff mediocre and its typical problem not influencing Congressional votes but finding the clients and contributors to enable it to survive at all.’ (Bauer et al. 1963: 324)

This situation changed dramatically in the late 1970s and 1980s. Loomis and Cigler (2002: 11) observed that ‘the number of attorneys in the nation’s capital, taken as a rough indicator of lobbyist strength, tripled between 1973 and 1983’. Heinz et al. (1993: 10) reported that ‘the National Law Journal has estimated that in the decade from 1965 to 1975 there were about 3,000 to 4,000 lobbyists in Washington, about 10,000 to 15,000 by 1983 and about 15,000 to 20,000 by 1988’. The authors also reported that a third of the organizations they surveyed regularly retained law firms for policy representation (Heinz et al. 1993: 64).

Insufficient research has been done to distinguish between law and lobbying firms. Nevertheless, four facts seem to be true. First, both employ lawyers. Second, there are organizations that specialize in lobbying that are not law firms. Moreover, the distinction emerged during the 1970s and 1980s. For instance, Kaiser (2009) argued that Schlossberg-Cassidy and Associates (now Cassidy and Associates), founded in 1975, was the first firm established specifically to secure earmarks for clients and that other firms were soon followed. Third, lobbying firms and Washington law firms both employ large numbers of former Congressmen and congressional staff as lobbyists. Citing the Wall Street Journal, Silverstein (1998: 24) reported that:

‘forty percent of the members of Congress who were defeated in their election bids in 1993 later joined major law firms that do lobbying and consulting. Between 1988 and 1992, 42 percent of all permanent Senate committee staff directors became lobbyists, while the corresponding number of the House side was 34 percent.’

Robert Reich, Clinton’s Secretary of Labor, wrote: ‘In the 1970s only about 3 percent of retiring members of Congress went on to become Washington lobbyists. By
2003 more than half the total number of retiring members returned to Washington lobbying — both Republicans and Democrats’ (Reich 2007: 139). Fourth, as is true for lobbyists associated with trade and peak associations, those from law and lobbying firms often write the text of the bills on which Congress votes (Clawson and Neustadt 1989; Green and Buchsbaum 1980; Silverstein 1998; Barley 2007).

**Ad Hoc Organizations**

During the 1970s and 1980s corporations and trade associations began founding temporary organizations as tools for working for or against specific laws. These ad hoc organizations (known colloquially as ‘astroturf’ organizations) usually have the legal status of non-profits, represent a coalition of firms and associations, and disband once the legislative battle ends, although some battles may go on for years. Not infrequently, ad hoc organizations have names that obscure their agendas. Whether named ironically or not, all protect the identities of the organizations they front.

Barley (2007) recounted that during the 10-year battle to pass bankruptcy legislation that would prevent individuals from claiming Chapter 7 bankruptcies (and, hence, from being absolved of their debts), financial firms and trade associations founded two non-profit advocacy organizations: the Bankruptcy Issues Council (BIC) and the Consumer Bankruptcy Reform Coalition (CBRC). Visa and MasterCard led the BIC, which also involved MBNA, Chase Manhattan and Citicorp. The American Financial Services Association set up the CBRC with its own senior vice president serving as the ad hoc organization’s executive director. Over the eight years of its life, the CBRC changed its name three times: the National Consumer Bankruptcy Coalition, then the Coalition for Responsible Bankruptcy Laws, and finally the Coalition for the Implementation of Bankruptcy Reform.

The ability to identify which organizations an ad hoc organization fronts becomes more difficult when corporations hire a public relations or a lobbying firm to found the ad hoc organization. Such was the case with Contributions Watch:

‘During the summer of 1996, a new beltway “watchdog” group, Contributions Watch, released a report on the amount of money trial lawyers have donated to federal candidates. The study received extensive coverage, including a story in the *Wall Street Journal* ... Carolyn Lochhead, Washington correspondent for the *San Francisco Chronicle*, called the report ... a “major breakthrough” that revealed trial lawyers to be the “most powerful special interest group in the US”. But the study was no disinterested piece of research ... Contributions Watch was created and controlled by the State Affairs Company, a powerfulbeltway lobby shop. The “independent” study on trial lawyers was bought and paid for by Philip Morris and the tobacco industry as part of its unceasing campaign for tort reform ... documents show that State Affairs provided Contributions Watch with its seed money and then recruited its executive director ... Contributions Watch began applying for foundation grants as well as trying to sign up corporate subscribers ... Ken Cohen, a lawyer for the Exxon Corporation, wrote a solicitation letter to big companies saying that he wanted to bring “a new ‘watchdog’ group” to their attention, “one which I believe deserves the business community’s support”.’ (Silverstein 1998: 114–117)

**Foundations and Think Tanks**

The organizations discussed so far focus on shaping elections, laws, or public opinion. Beginning in the 1970s, conservative elements of the business community
began to found and fund think tanks with the agenda of injecting a pro-business and, in many instances, a free market perspective into intellectual and political discourse. In fact, the 1970s and 1980s saw a boom in the foundings of policy-oriented think tanks. Table 1 gives the number of conservative, moderate and liberal think tanks founded before 1960 and every decade thereafter. Fifty-four percent of existing think tanks were founded during the 1970s and 1980s. Table 1 also indicates that, during these decades, foundings of conservative think tanks were two to three times greater than the foundings of liberal think tanks. In fact, only 29 percent of all think tanks are liberal, 42 percent are conservative, and 29 percent are moderate.12

Founders portrayed the new pro-business think tanks as counterweights to both university-based and older think tanks, such as the Brookings Institute, the Institute of Policy Studies, and the Council on Foreign Relations, which they deemed too liberal. The Heritage Foundation, founded in 1973, the Cato Institute, founded in 1977, and the International Centre for Economic Policy Studies (now the Manhattan Institute for Policy Research), founded in 1978, are perhaps the most well known of the conservative, free market think thanks, but there were at least 41 others founded in this era to pursue a national agenda.

Privately held corporations occasionally founded and funded the new pro-business think tanks openly. For instance Joseph Coors, President of Coors Brewing, founded the Heritage Foundation, and Charles Koch, CEO of Koch Industries, funded the Cato Institute. Typically, however, financing came from conservative, philanthropic foundations established by owners of successful firms or from private individuals who were often businessmen and businesswomen. Particularly influential in funding free market think tanks were the John Olin Foundation, the Smith Richardson Foundation, the Sarah Mellon Scaife Foundation, the Carthage Foundation, the David H. Koch Foundation, and the Charles C. Koch Foundation. These foundations were not particularly large. Even at the time, foundations generally gave more money to liberal causes. However, as Smith (2007: 92–93) notes, liberal foundations gave most of their money to service providers and advocacy groups rather than to think tanks. Moreover, there were differences in how foundations at either end of the political spectrum earmarked funds: conservative foundations gave money to thank tanks to build capacity; liberal foundations preferred to fund research projects.

During the 1970s and 1980s, the business community also moved to revitalize older conservative think tanks such as the Hoover Institution (founded 1921) and the American Enterprise Institute (founded 1943). For example, William Simon, noted conservative thinker and Secretary of the Treasury under Nixon and Ford, became President of the John Olin Foundation in 1977. Under Simon’s

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Table 1. Percentage of Conservative, Moderate and Liberal Think Tanks Founded by Decade
leadership, the Olin Foundation funded chairs and fellowships at both Hoover and the AEI and financed the Centre for the Study of American Business (Vogel 1989). Clawson and NeustadtI (1989) compared the funding of three moderate think tanks (the Council of Foreign Relations, the Committee on Economic Development, and the Brookings Institution) and three conservative think tanks (the American Enterprise Institute, the Hoover Institution, and the Heritage Foundation). In 1970 the moderate organizations had three times as much money as AEI and Hoover (Heritage did not yet exist). By 1980, funding for the three conservative organizations was a third larger than the combined funding of the three moderate institutions. Rich and Weaver (2000) found that the budgets of conservative think tanks were on average four times greater than the budgets of liberal think tanks and that size of the budget strongly predicted how often six national newspapers cited representatives of the institutions.

Like the older think tanks, the newcomers employed researchers to conduct studies and write articles and monographs, but they were less likely to write books or publish in established scholarly journals. Instead, they published their own journals and newsletters, held conferences on social, economic, and political issues, and urged their researchers to engage the media by giving speeches, appearing on newscasts, and cultivating journalists. Unlike think tanks established before the 1970s, institutes founded in the 1970s and 1980s (whether conservative or liberal) tended to specialize by policy issues, ideology, and political orientation (McGann 1992; Smith 2007). As a result, the newcomers were less likely than their predecessors to seek reputations for unbiased objective analysis. As Smith (2007: 89) put it, the new ‘think tanks offered an institutional innovation that could seamlessly merge research, publicity and advocacy ... Research became a weapon of political struggle, a means of championing a vision for society and public policy,’

Pro-business think tanks were also more likely than liberal think tanks to collaborate and coordinate. Choi (2010) analyzed co-affiliations formed by flows of personnel between 1999 and 2006 among 54 think tanks. The resulting network revealed a clear structure. Conservative and moderate think tanks formed two densely connected subgraphs, which were, in turn, connected by many links. Co-affiliations among liberal think tanks were rare. In fact, all liberal institutions were either isolates or endpoints on the periphery of the network. Thus, by the turn of the century, business’s intelligentsia had solidified into a coherent, cooperative community.

**Administrative Appointments and Advisory Committees**

Whether by funding candidates, lobbying, testifying, conducting research, advertising, or disseminating policy documents, our discussion has presumed that business influences policy from outside the government itself. There are, however, two paths by which corporations can affect Federal policy from the inside: having an executive appointed to an administrative post or to an advisory committee.

Presidents routinely appoint individuals to positions in the departments and agencies of the administrative branch. These include not only cabinet-level positions, ambassadorships and undersecretaries, but a variety of policy making and enforcing positions in regulatory agencies. Rabern’s (2009) recent study of the
financial payoff to firms whose executives are appointed to positions in the administration indicates the scope of such appointments. George W. Bush nominated 3,823 individuals to administrative posts during his eight years in office of which 2,817 were confirmed by the Senate. Three hundred and twenty-five of those confirmed (12 percent) had been corporate executives immediately prior to their appointments and collectively represented 239 firms of the Fortune 500. One firm (unnamed by Rabern) enjoyed 79 appointments.

Before the 1980s, political scientists were unable to demonstrate that appointees altered the philosophy of federal agencies and regulatory enforcement. With Reagan’s election, the situation changed. Wood and Waterman (1991) studied the activities of seven regulatory agencies during the Carter and Reagan eras. They found evidence of substantial shifts in regulatory philosophy and activism after Reagan’s appointees took office. In four of the seven agencies (the Food and Drug Administration, Nuclear Regulatory Commission, Federal Trade Commission and Equal Employment Opportunity Commission) the change occurred immediately on the appointee’s arrival. Other researchers have shown that firms enjoy bumps in their stock price, higher revenues, and more government contracts when their executives are appointed to administrative posts (McGuire et al. 1988; Hillman et al. 1999; Rabern 2009). Gely and Zardkoohi (2005) found that a firm’s market position also improves when lawyers who lobby for a firm are appointed to office.

Executive departments and regulatory agencies use advisory committees to guide them on an array of issues. For example, the Treasury Department has the Mutual Savings Association Advisory Committee, whose members include CEOs of banks. The Department of Commerce has an Advisory Committee on Forest Products consisting entirely of the executives of major paper and wood products companies, including two top executives from Weyerhauser. At present, there are 934 advisory committees spread across 64 agencies.13

As part of a survey of Washington interest groups, Schlozman and Tierney (1986) asked whether respondents’ organizations were represented on advisory committees. They found that 95 percent of unions, 74 percent of corporations, 74 percent of trade associations, and 67 percent of citizens groups reported having a representative on at least one committee. Schlozman and Tierney note that on the surface it would appear that unions are well represented, but, in fact, corporations are more likely to have members on multiple committees. For instance, 29 corporations sat on 20 or more committees while only five unions had so many seats. Schlozman and Tierney (1986: 335) noted that committees:

‘protect their operations from scrutiny—by failing to give public notice of scheduled meetings, closing them to the public, and giving only sketchy reports of the proceedings and that advisory committees have tended to include few representatives of broad publics and the disadvantaged.’

The Resulting Field

Figure 2 displays, as a network, the foregoing organizational populations all of which burgeoned during the 1970s and 1980s as well as the transactions and...
relationships that bind them together into an institutional field. Although other relationships may exist, prior research has substantiated each of the relations displayed in the figure. I have drawn the network to emphasize the flow of influence. On the far left stand corporations, the ultimate source of influence, as well as peak organizations, trade associations and foundations. On the far right are Congress and the Administration, the primary targets of influence, as well as the media and ordinary citizens, which are secondary and tertiary targets respectively. In between lie Washington law firms, lobbying firms, public relations firms, ad hoc organizations, and think tanks, all of which act as agents for the organizations on the left. I have drawn a box around corporations, PACs and public affairs offices, to signify that the latter two are properly understood as components of the corporation. Similarly, a box reminds us that advisory committees are components of the Administrative Branch.

Six relations define the structure of the network and, hence, the field. Funding and hiring represent flows of money. Money flows from and among the organizations on the left and terminates with the organizations in the center, with one exception: the funding of candidates for Congress by political action committees. Lobbying links organizations on the left (principals) and in the middle (agents) to Congress and the Administration. Opportunities to testify, inform, and advertise chart the information flows that link corporations, trade associations, peak organizations, ad hoc organizations, and think tanks to Congress. Importantly, providing testimony is the only unmediated path by which corporate executives can influence Congress. All other paths from firms to Congress pass through public affairs offices, PACs, trade associations, peak organizations, law firms, lobbying firms, and ad hoc organizations. Flows of information in the form of reports and documents as well as political ads and other persuasive communications generally

Figure 2. The Institutional Field of Corporate Political Influence
target the media, except for flows originating from think tanks, which target Congress and the Administration as well. PR firms and ad hoc groups also aim persuasive communications at citizens. The flow of personnel is the only bi-directional relationship. Corporate executives, the leaders of trade associations and peak organizations, lawyers, lobbyists, and scholars in think tanks assume positions in the administration (but not Congress). Conversely, members of the administration, Senators, Representatives, and both Congressional and administrative staff go to work for corporations, trade associations, peak organizations, lobbying firms, and Washington law firms after leaving government. The sixth relationship, voting for presidents and members of Congress, is the only mechanism that average citizens have for entering the field.

The first point to be made about Figure 2 is that, even though the information needed to sketch the field’s structure comes from the work of political scientists, economists, historians, journalists, and sociologists, none have outlined the institutional field that emerges when the information is combined. It is worth remembering that it is difficult to see an organizational field if one’s discipline does not provide the lens for doing so. I contend that it is precisely because students of organizing have a different lens, that we can contribute uniquely to the intellectual discourse on how organizations mold their environment.

Second, the network in Figure 2 points to concepts that could be useful for building a theory of how organizations mold political, and perhaps other, environments. Many institutional fields to which organizational theorists attend arose to create and disseminate products, services, entertainment, art, information, or knowledge. In these fields, actors play unique roles, such as producers of specific tools or raw materials, purveyors of specialized expertise, quality controllers, regulators, standard setters, and so on. Such fields are structured around supply chains and divisions of labor. The institutional field built by the business community to influence the Federal Government has a division of labor but operates on another principle as well: it serves as an amplifier.

The field is structured to deliver messages along multiple channels using multiple voices. Not only do PACs and public affairs offices speak for corporations, but so do peak organizations and trade associations. These organizations fund or hire law firms, lobbying firms, ad hoc organizations, PR firms, and think tanks, which add their voices to the choir. Furthermore, PR firms and ad hoc organizations work to enlist the voices of the media as well as the citizenry. Everyone knows a choir’s tune is stronger and carries further than that of a soloist, even a Pavarotti.

Amplification occurs a second way: by replicating organizations and providing replicants with aliases. Corporations and their PACs are legally distinct organizations, yet the staff of the second are employees of the first. Because PACs and their parents are separate organizations, they can deliver the same message to the same audience via the same media. Ad hoc organizations add secrecy, if not duplicity, to the act of replication. Unlike PACs, ad hoc organizations almost always have aliases with no semantic tie to the organizations they front. In fact, an ad hoc’s alias often suggests that it promotes interests different from those it represents. For example, the Pharmaceutical Research and Manufacturers of America and the US Chamber of Commerce established Citizens for Better Medicare to lobby against regulating drug prices in 1999 and 2000. The Heartland Institute, the Competitive
Enterprise Institute, the National Center for Policy Analysis, and other think tanks set up the National Consumer Coalition to oppose consumer-oriented regulation and promote free market solutions to consumer issues.

Third, the institutional field in Figure 2 suggests a system designed not only to amplify but to shield. Ad hoc organizations certainly shield funders and founders. More importantly, in this structure agents shield principals. Employing law and lobbying firms, ad hoc organizations, PR firms, and think tanks makes it more difficult to identify whose interests are in play. In the case of think tanks, the shield lends scholarly legitimacy to funders’ agendas, whereas ad hoc organizations and PR firms reduce the risk that clients will suffer de-legitimation. Organizational theorists have long recognized that legitimation is important for constructing organizational fields. The case at hand suggests that establishing and protecting legitimacy may involve more than being tied to high-status others or deploying culturally legitimate logics. Sometimes, protection and enhancement of legitimacy may be built into the structure of the field itself.

Discussion and Conclusion

In building an institutional field to influence the government, the business community drew on innovations pioneered by labor and citizens groups. As I have noted, labor unions invented political action committees. Environmental and public interest groups pioneered the grass roots organizing techniques later mastered by trade associations, peak organizations, PR firms, and ad hoc organizations. Citizens and labor groups have employed lobbyists and lawyers, established PACs, used the services of PR firms, and created ad hoc organizations as a way of forming coalitions. The AFL-CIO is a peak organization. Foundations have established and funded liberal think tanks to counter pro-business, free market think thanks. One might, therefore, argue that unions and citizens groups are embedded in an analogously structured field. This is undoubtedly the case.

Evidence suggests, however, that the field in which unions and citizens groups operate is less powerful, less prominent, less well organized, less well funded and less well informed. When Clinton attempted to reform the health care system to provide universal coverage, Robert Reich was Secretary of Labor. Reich (2007) has written that the reform failed in large measure because there was no institutional field that Clinton could mobilize:

‘Despite it being introduced in a Democratic Congress, Clinton’s legislation went nowhere. That was partly because the proposal was too complicated and bureaucratic. But it also died because it had no broad-based organization behind it. While corporations vigorously lobbied against it, Clinton had no vehicle to mobilize public support.’ (Reich 2007: 165)

Reich also noted that, in comparison to business, labor’s institutional muscle has atrophied over time:

‘In 2005 the AFL-CIO had only six paid lobbyists on Capitol Hill. Of the one hundred organizations that spent the most on lobbying that year, the US Chamber of Commerce headed the list; the AFL-CIO ranked seventy-fourth. Most public interest groups — advocating such causes as environmental protection, child welfare, or human rights — did not even make the list.’ (Reich 2007: 133)
US regulatory agencies are required by law to publish proposed rulings, to allow time for the public to comment, and to consider revising the rulings in light of the commentary. Golden (1998) studied commentary on rules proposed by the Environmental Protection Agency and the National Highway Traffic Safety Administration during Clinton’s administration. She found that corporations and trade associations made 67 percent and 100 percent of all comments on EPA and NHTSA rules, respectively. Unions made no comments and citizens groups commented on only three of the eight rules she examined. No individuals commented. Members of government agencies were the second most active group of commentators. When Golden asked commentators how they heard about proposed rules, she discovered that the institutional field worked more effectively for corporations than for citizens groups, precisely because the former were better organized:

‘Almost all business commentators receive and read the Federal Register, and they receive information about pending regulations from trade associations such as the Chemical Manufacturers Association and the Steel Institute. A few even subscribe to online services that provide them with continually updated information regarding agency business. On the other hand, advocacy groups rely almost exclusively on informal networks of similar groups, whereby larger groups keep smaller groups informed ... Only three of the citizen groups surveyed receive the Federal Register ... [however] the few large advocacy and public interest groups, such as the AARP and NRDC, are more like their corporate and governmental counterparts.’ (Golden 1998)

As discussed earlier, Choi (2010) showed that liberal think tanks are isolated or peripheral within the national network of think tanks. In their study of organized interest groups, Schlozman and Tierney (1986) found that, compared to business, the organizational field that might mobilize on behalf of the public or the disadvantaged was underdeveloped:

‘The overrepresentation of business interests takes place at the expense of two other kinds of organizations: groups representing broad public interests and groups representing the less advantaged. Even making the perhaps dubious assumption that all unions, civil rights groups, minority organizations, social welfare groups, poor people’s organizations, and groups organizing the elderly, the handicapped, and women represent political have-nots, less than 5 percent of all organizations having a Washington presence and less than 10 percent of those having their own offices there represent those having few political resources’. (Schlozman and Tierney 1986: 68)

The authors go on to say that 86 percent of the organizations that represent economic interests speak for business and another 7 percent speak for professional occupations, leaving the rest of the population’s interests to be handled by the final 7 percent (Schlozman and Tierney 1986: 70).

Whether or not the institutional field that emerged in the United States is similar to fields that operate in other countries remains an open question. Because the structure of governance in the US differs substantially from that of other nations, because labor unions are stronger outside the US (particularly in European countries with a history of corporatist governance), and because many countries are less enamored with laissez-faire economics, the US system may well be unique. Nevertheless, an inability to generalize from the specifics of the United States is more of an opportunity than a problem. As Glaser and Strauss (1967) noted long ago, comparisons and contrasts are the stuff from which well grounded theories are built. Corporations are likely to have an interest in policy and advocate for their interests regardless of national boundary (e.g.
McLaughlin et al. 1993; Siegel 2007; Kauto 2009). Consequently, it is reasonable to expect that corporations exert influence though institutional fields on all governments whether they be national, regional (e.g. the European Union), or global (e.g. Bartley 2007; Beck 2008; Goodstein and Velamuri 2009).

Regardless, my purpose has not been to offer the US case as a model, but to use it to suggest that studying how organizations shape environments offers organizational theorists exciting territory to explore. I have approached the topic as an institutionalist. There is much fodder here for population ecologists as well. Although I have tried to make a prima facie case for birth dynamics, the ecologies of the organizations that comprise the field sketched in Figure 2 have barely been studied. The building of fields to shape environments also seems ripe for network analysis. Beneath the highly schematic network that I have constructed lie multiple networks of dyadic relations waiting to be documented and analyzed. I have tried to show that organizations have shaped their political environment by using other types of organizations as tools. Each type represents an unexamined social world and, hence, an opportunity for organizational ethnographers. To date, I have only been able to uncover one ethnography of a lobbying firm (Kersh 2002) and one field study of a trade association (Elsbach 1994).

Studying how organizations shape environments also promises to lead us to new theoretical understandings. For instance, consider the amplifying potential of the field for exerting corporate political influence. As I noted, most institutional fields that scholars have examined do not function as amplifiers of messages. It seems reasonable to consider the possibility that different fields have different structural properties depending on the broad purposes they are constructed to serve. To my knowledge, organizational theorists have yet to consider the possibility of what we might call a contingency theory of the structure of organizational fields. Suppose that some structures are more effective for establishing industries while others are more effective for shaping tastes and still others are more effective for shaping policies. Comparative investigations of the mechanisms by which organizations shape their environments could well launch a new era of organizational research, just as the notion of contingent structures rejuvenated organization studies in the 1960s. In these possibilities and others like them lie the promise of our finally attending seriously to the third mandate outlined by Hickson at the birth of *Organization Studies* and by Parsons at the birth of *ASQ*.

This paper gestated during 2008–2009 while I was a fellow at the Center for Advanced Study in the Behavioral Sciences. Students in the Corporations and Democracy workgroup at Stanford University — Sarah Bellows-Blakely, Joon Nak Choi, Thomas Haymore, and Daniel Morales — shaped my subsequent thinking.

1 Not the least important reason for the delay was that Weber’s work was not widely available in English until H. M. Henderson and Talcott Parsons translated Part I of *Economy and Society* under the title ‘Theory of Social and Economic Organization’ (Weber 1947 [1922]).

2 See White et al. (2004:96) for another image of institutional fields as networks. As they put it: ‘Institutional fields are supra-organizational transactional linkages that configure the search and regulation systems that govern the interpretation and actions of both organizational and individual participants.’

4 The short history in this and the next paragraph draws on Conway et al. (2002).

5 Most scholars would agree that these three are among the most powerful peak organizations, but they are not the only ones. Others include the National Association of Manufacturers, American Business Conference, American Council for Capital Formation, National Small Business Association, Small Business Legislative Council, Public Affairs Council, Business Council, and National Industrial Conference Board. To my knowledge, no one has attempted to enumerate the population of peak organizations.

6 The Business Council was established by the US Department of Commerce in 1933 as a quasi-governmental body for the purpose of providing the Roosevelt administration with business’s perspective on policy issues. It became a free-standing organization in 1962. The Committee for Economic Development is an independent think tank founded in 1942 to tackle policy issues. The CED rejected the philosophy of laissez-faire capitalism and should be seen as a center of corporate liberalism.

7 The memo was made public by Jack Anderson, columnist for the Washington Post. The memo can be found at: http://reclaimdemocracy.org/corporate_accountability/powell_memo_lewis.html

8 The Labor Study Group was formed in 1965 by executives from General Electric and American Smelting and Refining to oppose labor’s attempt to repeal the right to work provision of the Taft-Hartley Act. The Construction Users Anti-Inflation Roundtable was formed in 1969 by Roger Blough, Chairman of US Steel, to combat labor costs in the construction industry. The March Group was an informal organization of the CEOs of top companies who had been urging the Business Council to become more involved in politics (Bowman 1996: 195).

9 For detailed discussion of the history of political action committees and the constitutional issue of corporate free speech see Epstein (1979), Sabato (1984), Bowman (1996), and Dwyre (2002).

10 The FEC uses the term ‘unconnected PAC’ to refer to political action committees that are not sponsored by a corporation, a trade union or a trade association. These include ‘citizens’ PACs founded by non-profit organizations such as the AARP as well as ‘Leadership’ PACs founded by members of Congress. The data in Figure 1 were compiled by the Federal Election Commission and are to be found in the a news release dated 9 March 2009 and entitled ‘Number of Federal PACs Increases’ at http://www.fec.gov/press/press2009/20090309PACcount.shtml.

11 NABPAC was founded in 1977 by Paul Thornbrough, an executive of the MAPCO Corporation, who realized that his own company’s PAC needed technical assistance. As NABPAC’s website explains, its mission remains consistent with that of its founding:

‘NABPAC is the nation’s only trade association solely dedicated to promoting and defending PACs and providing ongoing education and compliance services to political action professionals. From NABPAC’s founding over 30 years ago — when corporate PACs were still in their infancy — to today, our two-fold mission has been to lobby against legislation that would restrict the ability of PACs to freely participate in the campaign finance system and help the American business community develop and enhance their PAC and political involvement programs. With services ranging from free legal compliance support to regular PAC Rap Sessions, NABPAC members have unlimited access to the latest PAC tools and information available today.’ (http://www.nabpac.org/)

12 These data in Table 1 come from three sources: (a) data generously provided by Joon Nak Choi, a doctoral student in the Stanford Department of Sociology, who is currently studying the social organization of think tanks (Choi 2010), (b) McGann (1992) and (c) a listing of think tanks on Wikipedia (http://en.wikipedia.org/wiki/List_of_think_tanks_in_the_United_States). Choi determined think tanks’ political orientations using a measure of the political orientation of the politicians that cited their documents. Wikipedia classifies think tanks by ideology. I attributed political orientations to the think tanks uniquely mentioned by McGann by searching their websites for information on policy stances. When in doubt, I classed the think tank as moderate.

13 The identity of members and data on the total number of committees come from the Federal Advisory Committee Database, which is maintained by the General Services Administration and provides annual information on all advisory committees from 1991 to 2010 (http://fido.gov/facadatabase/default.asp).

14 One might argue that the media are agents as well, especially with respect to citizens. Whether the media act as witting or unwitting agents is not important for the purposes of this paper.

15 Although PACs also fund presidential candidates, I have not drawn a funding line to the administration, to emphasize that PACs primary targets are Senators and Representatives.
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