

# POWER PLAYS: HOW SOCIAL MOVEMENTS AND COLLECTIVE ACTION CREATE NEW ORGANIZATIONAL FORMS

Hayagreeva Rao, Calvin Morrill and Mayer N. Zald

## ABSTRACT

*Organizational theory emphasizes how new organizational forms are produced by technological innovation but has glossed over the role of cultural innovation. This chapter suggests that social movements are important sources of cultural innovation and identifies the scope conditions under which social movements create new organizational forms. By doing so, it lends substance to the notion of institutional entrepreneurship and enlarges the theoretical reach of neo-institutionalism.*

---

Research in Organizational Behaviour, Volume 22, pages 237–281.  
Copyright © 2000 by Elsevier Science Inc.  
All rights of reproduction in any form reserved.  
ISBN: 0-7623-0641-6

## INTRODUCTION

Consider the creation of consumer leagues – organizations concerned about fair prices and the standard of living that appeared at the dawn of the 20th century. Although rising prices were long acknowledged to damage the standard of living in America, the consumers were not a category of actors and there were no organizations dedicated to the cause of consumers. During the decade which lasted from 1880 until 1890, state governments created bureaus of labor statistics in the late 1880s to conduct cost of living inquiries. Activists used these studies to construct the consumer as a category, and exploited rising food and meat prices to establish clubs consisting of housewives to provide advice on spending and disciplining unscrupulous merchants with the threat of a boycott. Boycotts in one city mobilized interest in other cities, and led to the diffusion of consumer leagues in a social movement like process. So much so, that by 1912, the National Association of Housewives Leagues was established to coordinate activities.

As this vignette indicates, collective action and contention underlie the construction of new organizational forms. Yet, they have received little attention in organizational ecology and neo-institutionalism – two of the most vibrant traditions in organization theory. Although organizational ecologists note the importance of institutional processes (Hannan & Freeman, 1989: 56), they have yet to incorporate agency into their account of legitimation. Neo-institutionalists have noted the need for more attention to be devoted to the role of de-institutionalization (Oliver, 1992), the use of multiple logics by actors (DiMaggio & Powell, 1991: 30), and political competition among coalitions (Fligstein, 1996) in the study of new organizational forms.

In the preceding chapter, Davis & McAdam (2000) argued that a challenge facing organizational theorists is to “show more comprehensively the value of applying the constructs and mechanisms developed in social movement theory to economic action.” We respond to their call by studying the *construction of new organizational forms as a political project involving collective action*. Our approach is situated in recent theoretical efforts to bridge between social movement theory and cultural-frame institutionalism, at the same time harkening back to Zald & Berger’s (1978) application of social movement theory to intra-organizational change. We conceptualize the construction of new organizational forms as a political process in which social movements play a double-edged role: They de-institutionalize existing beliefs, norms, and values embodied in extant forms, and establish new forms that instantiate new beliefs, norms and values. Crucial in these processes are institutional entrepreneurs who lead efforts to identify political opportunities, frame issues

and problems, and mobilize constituencies. By so doing, they spearhead collective attempts to infuse new beliefs, norms, and values into social structures, thus creating discontinuities in the world of organizations. We view our efforts as primarily sensitizing and, toward this goal, we focus our attention on identifying key concepts and mechanisms through the use of extended cases.

In the pages that follow, we first provide a working definition of organizational form, and discuss the relationships between new forms and legitimacy. We then turn to a theoretical discussion of four types of organizational and market failures from which social movements can arise. The next section of the paper investigates how organizational fields both constrain and enable social movements, as well as the organizational forms they produce, by comparing three cases under different field conditions: the establishment of alternative dispute resolution at the 'interstices' between fields, the spread of quality management in U.S. corporations within a 'fragmented' field, and the emergence of specialty breweries in a 'hierarchical' field. Finally, we draw on the creation of health maintenance organizations and the rise of consumer 'watchdogs' to examine the reactive politics of constructing new forms. Specifically, we explore how initiator movements generate spin-off and counter-movements, as well as how the boundaries of organizational forms operate as truces between competing forms. The chapter concludes with a number of directions for further research that link politics, social movements, and organizational change at the macro and micro levels. By making political opportunity a variable rather than an assumption, our analysis of social movements and new organizational forms complements other treatments (e.g. Swaminathan and Wade, forthcoming) which take political opportunity for new organizational forms as a given.

## **ORGANIZATIONAL FORMS AND LEGITIMACY**

A useful starting point for understanding discontinuities between organizational forms is the distinction between core and peripheral properties of organizational forms. Core features include goals, authority relations, technologies, and marketing strategy, and vary in the ease with which they can be changed (Scott, 1995). At one extreme, goals are the innermost feature of organizational forms and are the most difficult to modify. At the other extreme, marketing strategy is relatively easier to change because organizations can introduce new products, reposition existing products or withdraw existing products. Other core characteristics occupy a middle ground between these two extremes.

Organizational forms constitute polythetic groupings, in that members of the form share common core characteristics but may differ with respect to peripheral features. Hence, one form or species differs from another primarily according to core characteristics of the form. The core features listed by Scott comprise a four-dimensional space in which new organizational forms appear or disappear over time. An advantage of focusing on core features is that they provide a parsimonious list of the dimensions on which an organizational form can differ from incumbent forms. The four features can also demonstrate how an organizational form links to ancestral forms.

Not all new organizational forms are equivalent. Arguably, a new form dramatically differs from pre-existing forms when it is different in all four core features – goals, authority relations, technology, and served markets. Such new forms illustrate *strong speciation*. Early American automobile manufacturers, for example, constituted new organizational forms that marked a strong departure from their precursors in the horse carriage industry in terms of: goals (slow vs. fast transportation), technology (traveling compartments moved by horses vs. traveling compartments moved by internal combustion engines), authority (cottage and decentralized vs. assembly-based), and served markets (mass vs. physicians and enthusiasts). Naturally, distinctions between new and old forms weaken when differences exist only in terms of markets or technologies, for example. *Weak speciation* occurs when the new form differs from existing ones only on one or two dimensions (Rao & Singh, 1999). For example, in the hotel industry, luxury hotels differ from budget hotels on the dimensions of customer base (market served) and the technology of service.

### *Institutional Entrepreneurs and Legitimacy*

Stinchcombe (1965, 1968: 194) asserts that the creation of new organizational forms “is pre-eminently a political phenomenon” to the extent that a new form differs from pre-existing organizations. Thus, when a new form is an instance of strong speciation, the goals, authority structure, technology, and clients embodied in the new form must be validated if the new form is to garner resources. In some cases, unfilled resource spaces may exist in the environment but potential entrepreneurs still have to lay claim to ‘free-floating’ resources and justify their claims. In other cases, unfilled resource spaces may not exist, and entrepreneurs have to construct these spaces by justifying the need for new organizational forms, and pry resources away from existing uses.

In all cases, socio-political and constitutive legitimacy are required for the new form to attract resources and become viable (Meyer & Rowan, 1977; DiMaggio, 1988; Fligstein, 1996b, Powell, 1998). Socio-political legitimacy

accrues when a new organizational form conforms to legal rules and gains endorsement from other powerful actors. Constitutive legitimacy is obtained when the new form becomes legitimized and ultimately, taken-for-granted as a social fact (Hannan & Carroll, 1992; Aldrich & Fiol, 1994; Baum & Powell, 1995).

Empirical research on new organizational forms, conducted principally by organizational ecologists, depicts socio-political and cognitive legitimacy as positive spill-overs flowing from individual instances of an organizational form (Delacroix & Rao, 1994). Density-dependence theorists propose that new forms become taken-for-granted as the number of organizations (density) embodying the form increase. Initial increases in density produce economies of scale in collective action, and collective learning in turn, boosting organizational founding rates and diminishing death rates. Beyond a point, however, growing density unleashes competition, depresses founding rates, and increases death rates (Hannan & Freeman, 1989). Numerous studies reveal an inverted U-shaped relationship between density and foundings, and a U-shaped relationship between density and deaths (see Hannan & Carroll, 1992). A parallel body of research suggests that inter-organizational linkages established by individual firms confer socio-political legitimacy on the form. Baum & Oliver (1993) demonstrated that relational density (links between existing firms with governmental organizations) initially increased birth rates and diminished death rates. In a similar vein, Hybels, Ryan & Barley (1994) demonstrated that strategic alliances between firms in a population increased founding rates.

The density-dependence and relational density perspectives imply that there is little collective action necessary to construct new organizational forms. In the density-dependence model, action consists of the existence of instances of an organizational form. In the relational density approach, action resides in the endorsement of individual firms by other prominent actors. Both perspectives portray legitimacy as a positive spill-over that obtains when there are enough instances of the form, or enough endorsements of individual firms by powerful actors.

However, recent versions of cultural frame-institutionalism suggest that the creation of new organizational forms entails an institutionalization project, wherein institutional entrepreneurs actively define, justify, and push the theory and values underpinning a new form (DiMaggio, 1988: 18; Clemens, 1993). In this line of argument, activists construct boundaries around activities and validate these boundaries such that a new category of organizations emerges. Because such activities often exhibit purposive goals and structured roles, some researchers liken such institutional projects to social movements (Fligstein,

1996a; Haveman & Rao, 1997; Rao, 1998; Davis & McAdam, forthcoming; Swaminathan & Wade, forthcoming; Lounsbury, Hirsch & Ventresca, 1999). However, social movements are likely to arise as a form of collective action only under certain conditions. Below, we elaborate these conditions.

## **ORGANIZATIONAL AND MARKET FAILURES AS SOURCES OF SOCIAL MOVEMENTS**

Since the work of Robert Park and his associates, collective action and social movements have been recognized as extra-institutional sources of social change. In contrast to panics, riots, fads, and fashions that are evanescent forms of collective behavior with few structured roles, collective action refers to a broad range of purposive collective behavior, the most organized of which are social movements that occur over longer time stretches, are driven by long-term goals, and develop formal organizations.

Social movements may be defined as organized collective endeavors to solve social problems. The emerging consensus in the social movement literature is that the ability of institutional entrepreneurs/activists to bring about change depends upon framing processes, mobilizing structures, and political opportunities (McAdam, McCarthy & Zald, 1996). Institutional entrepreneurs can mobilize legitimacy, finances, and personnel only when they are able to frame the grievances and interests of aggrieved constituencies, diagnose causes, assign blame, provide solutions, and enable collective attribution processes to operate (Snow & Benford, 1992: 150). Collective vehicles through which people mobilize and engage in collective action are also essential for social movements; such structures include formal social movement organizations (McCarthy & Zald, 1977), work and neighborhood organizations, and informal friendship networks (Tilly, 1978). Finally, several studies suggest that organized attempts to establish new structures require political opportunity on which to thrive. In practical terms, this means that entrepreneurs can minimize or escape state repression, possess access to the political system, and have allies in elite groups (Tarrow, 1989). Political opportunity, mobilization structures, and framing processes are reciprocally intertwined such that skillful framing of an issue can create an opportunity and reduce mobilization costs, just as strong mobilization structures can broaden opportunity and reduce the need to broaden a frame. The background of such opportunities often consists of a priori organizational and market failures that create new possibilities for the rise of social movements. Below, we discuss a number of these failures.

### *The Failure of Trade Associations*

When a new organizational form represents a case of strong speciation, it is novel, rare and can jeopardize vested interests. It must acquire endorsements from powerful collective actors, such as the state, and must be transformed from a novel artifact into a social fact. A commonplace presumption in organization theory is that new organizational forms in economic spheres can garner legitimacy by banding together through trade associations to secure governmental support and gain standing in consumer and financial markets.

However, trade associations can be crippled by influence costs (Milgrom and Roberts, 1992). When organizational decisions affect the distribution of wealth or benefits among constituents of trade associations and elite coalitions, the affected individuals can attempt to influence the decision to their benefit. As a result, agreements may be hard to negotiate, thus blocking sustained coordination among producers. When producers are unable to coordinate action, social movements powered by activists can play vital roles in establishing a field-wide environment around a new form. Thus:

New organizational forms are legitimated through social movement processes when collective action by instances of the new form fails because of influence costs.

The early American automobile industry provides a striking example (Rao, 1999). As a novel product, the automobile was unfamiliar, and consumers were confused because the source of power, the number of cylinders, systems of steering and control, and the mode of stopping were topics of considerable controversy (Thomas, 1977: 19).

Initially, vigilante anti-speed organizations sought to restrict the use of the automobile by forcing municipal governments to impose speed ordinances. For example, the New York Committee of Fifty, a prominent anti-speed organization, obtained data on speeds using stopwatches, and convincingly showed that cars were driven at high speeds. The Long Island Highway Protective Society, described speeders as 'scorchers' and resorted to illegal tactics such as puncturing tires of speeding cars, and in some cases, even riddling tires with bullets. Sporadic opposition to the motor car was prevalent in rural areas during the touring season when speeding automobilists threatened livestock and horse-drawn traffic, and raised dust that damaged crops.

In the first four years of its existence, there were no trade associations to advance the cause of the automobile. The National Association of Automobile Manufacturers was established in 1900 in a bid to assure product quality, but was superseded by the Association of Licensed Automobile Manufacturers (ALAM), which was formed in 1903. ALAM was a trade association formed to license the Selden patent, but the Selden patent was widely disregarded and,

due to internal divisions, ALAM was unable to secure quality by enforcing its threat of litigation. A rival body, the American Motor Car Manufacturer's Association (AMCMA) was established in 1905, and also proved to be an ineffective mechanism of collective action. Both trade associations disintegrated during the period 1909–1911, as a result of legal battles. Professional societies did little to legitimate the new industry. The Society of Automobile Engineers (SAE) began in 1905 with a small group of journalists and automobile engineers, and established a standards committee by 1910.

It was in this context that automobile fans banded together into automobile clubs and promoted the 'automobiling' movement. Flink (1970:144) notes that the "automobile club became the most important institution championing the diffusion of the automobile in the United States. Voluntary associations of motorists propagandized to encourage a favorable image of the automobile and automobilists."

The American Motor League, set up in 1895, was the first attempt to organize a club, and it foundered. But by 1901, 22 local clubs had mushroomed in different cities such as Boston, Newark, and Chicago. In 1910, there were 225 local clubs affiliated with the AAA. Local clubs promoted the image of the automobile in two ways. First, they supported state ordinances requiring tags and mandating speed limits to prevent a maze of city-specific regulations and to defuse opposition to the car. More importantly, auto clubs codified rules for reliability and speed races, and provided the personnel for scheduling and supervising these contests.

Local automobile clubs also played a crucial role in establishing a legal environment for the automobile. When municipal governments promulgated ordinances to regulate speeding, automobile clubs initially challenged these city ordinances, but quickly realized that a maze of municipal regulations could only be checked if there were state-wide rules for registering and licensing automobiles. Although the National Association of Automobile Manufacturers, the abortive trade association, sought to have Federal legislation provide a national license, it made little headway because Congress and the Federal government were apathetic to the automobile until 1909. In these circumstances, governments in individual states conferred socio-political recognition on the automobile. If local automobile clubs prodded early adopters (such as New York) to introduce legislation on car tags and speed limits, other states emulated these laws. New York took the lead in 1901, and required that all cars have numbered tags and mandated a 20-mph speed limit. By 1903, eight other states had followed, and by 1915 all the states had motor vehicle registration, wherein, automobiles had to possess a numbered tag. By then, as a



consequence of legislation, a motor vehicles department had become an integral part of each state's administrative apparatus.

*The Inadequacy of 'Normal' Incentives*

A problem for actors seeking to legitimate a new form is that it creates positive externalities. An externality ensues due to an inequality between private costs and benefits on the one hand and collective costs and benefits on the other. Positive externalities exist when those who incur the costs of an action are not the sole beneficiaries of that action, and those who benefit have not necessarily shared in the costs of undertaking this action. Standard economic theory holds that early entrants or pioneers of an industry incur the cost of legitimating the new form. Early entrants incur the costs of establishing a trade association, formulating technical standards and establishing supply and distribution networks. Pioneers play a key role in familiarizing financial and personnel markets with the new form, as well as habituating governmental bureaucrats to the new organizational form. However, the benefits of these activities also extend to later entrants to the industry and not just pioneers. In principle, pioneers should balk at incurring the costs of legitimating a new organizational form, but as standard economic theory points out, they bear these costs because they have an opportunity to gain a large share of the market (Schmalensee, 1983).

However, normal incentives can be inadequate to legitimate organizational forms that produce collective goods such as technical standards. In such cases, actors have incentives to free-ride. Olson (1965) observed that collective action is possible only when free-riders are excluded from the benefits of joining the group, and when selective incentives are made available to members. Social movements become viable when movement activists commit time because they overstate the costs of their not doing anything, and are able to exclude others from the psychological benefit of contributing to a cause. Thus:

New organizational forms are produced by social movement processes when 'normal' incentives are inadequate to create public goods.

For example, standard-setting organizations emerged in the United States because of the standards movement initiated by activists concerned about inefficiency and waste. In 1894, an association of insurance underwriters (Underwriters Laboratory) received a charter to certify wires and light fixtures as fire-resistant in order to build insurable real estate, thus becoming the first standard setting organizations. However, this initiative did not stimulate further instances of the form because free-rider problems paralyzed action by producers and consumers. Only when the National Bureau of Standards (set up

in 1901) instituted annual national conferences on weights and measures did interested activists gather to exchange ideas and plan initiatives about reducing waste and inefficiency in industrial production. Activists such as James Chase and Frederick Schlink (who were employees of the Bureau) wrote pamphlets that railed against the evils of wasteful variety, preached the virtues of standards, and recruited converts from the ranks of private corporations. As a result, large private corporations such as General Motors, General Electric, Westinghouse, and American Telephone and Telegraph set up special-purpose departments to establish standards for devices. AT&T was reputed to have saved a million dollars because of the use of a standardized repeater in long distance lines (Chase & Schlink, 1927: 235). The success of activists in recruiting converts in large private enterprises also enabled them to appeal to professional societies of automotive, materials testing, and electrical engineers to assume responsibilities for standards setting. In 1908, the National Bureau of Standards also founded the *Journal of Weights and Measures* for the 'benefit of Dealers, Sealers and the Purchasing Public'. The standards movement reached its zenith during World War I, when activists located in the War Industries Board pushed producers to standardize products and conserve resources. As a result, the colors of typewriter ribbons were reduced from 150 to 6, automobile tires from 287 types to 9, and buggy wheels from 232 sizes to 4 (Cochrane, 1966). After the war, the American Standards Association was formed in 1919, and persuaded hundreds of firms to adopt common standards with the active support of the Bureau of Standards and the then Commerce Secretary, Herbert Hoover, in a bid to improve efficiency.

### *The Failure of Market Mechanisms to Reduce Social Costs*

Social costs or negative externalities obtain when some parties draw all the benefits and others are stuck with the costs. For example, steam locomotives, as Coase (1960) observed in a famous example, can emit sparks that set fire to fields, or deceptive advertising can harm the image of advertising agencies and defraud consumers. In principle, one could claim that social costs can be reduced wholly through market mechanisms; for example, farmers can sell rights to emit sparks on their fields or purveyors of deceptive advertisements can be eliminated because they acquire a bad reputation. However, market mechanisms may not work when transactions span large distances, or when victims are uninformed and lack recognized legal rights. Steel firms, for instance, can pollute air in another country. Consumers may not be able to discern honest from dishonest advertisers, and may even lack the right of legal

redress. In such cases, social movements can arise to establish new firms to reduce social costs. Thus:

New organizational forms are produced by social movements when market mechanisms are inadequate to reduce negative externalities.

For example, at the turn of the 20th century, deceptive advertising may have benefited some firms, but harmed the standing of advertising, therefore imposing costs on advertising agencies and their clients. In the abstract, one might have expected the purveyors of dishonest advertisements to disappear and the suppliers of honest advertisements to thrive because the former would acquire bad reputations. However, consumers were uninformed, and free-rider problems prevented advertising agencies from engaging in collective action. Widespread concerns about deceptive advertising, however, induced owners of advertising agencies to become activists and initiate the truth-in-advertising movement in a bid to professionalize advertising at the turn of the 20th century. Stung by the widespread criticism that advertising was misleading and dishonest, some advertisers formed clubs during the period 1896–1903. In 1904, several clubs merged to form the Associated Advertising Clubs of America (AACA), and by 1909, the AACA had established an educational committee to systematize training and to promote honest advertising. In the 1911 convention of the AACA, a proposal initiated by John Romer, the publisher of *Printers Ink*, was introduced making it illegal for an advertisement to contain deceptions or misleading facts. Romer also urged advertising clubs to establish vigilance committees to ascertain the truthfulness of advertisements issued by members, to discipline errant members, or even to take them to court. A National Vigilance Committee formed in 1912, and by 1914, twenty-four cities had also founded vigilance committees in a bid to signal the advertising community's commitment to probity and professional conduct. In 1916, vigilance committees were renamed as Better Business Bureaus and by 1930, more than 10,000 businesses supported these bureaus in numerous cities (Samson, 1980: 343).

### *The Exclusion of Actors from Conventional Channels*

Actors may be excluded from access to legal recourse because of laws that favor vested interests, be denied access to media exposure, be deprived of support from agencies of the state, or various combinations of these exclusions. In such cases, new organizational forms can explicitly be created by activists to discredit existing arrangements, and can provide a vehicle for those who feel excluded from access to the existing system.

New organizational forms are produced by social movements when actors seeking to challenge existing arrangements are excluded from conventional channels of access.

For example, investor rights watchdogs emerged from the shareholder rights movement that arose when corporate managers exploited the existing legal framework to enhance their interests. A growing wave of takeovers in the 1980s also aggravated the conflict between managers of firms and their investors. During the 1980s, 29% of the *Fortune* 500 industrial firms were targets of takeover attempts by outsiders. Takeovers tended to benefit shareholders by increasing stock prices, but jeopardized the interests of managers. Managers sought to defend themselves through 'poison pills', 'shark repellents' (mechanisms that depressed share prices and reduced shareholder discretion), 'golden parachutes' (handsome pay packages to executives fired in takeovers), and 'greenmail' (buying back raiders' shares at a high premium while leaving other shareholders disadvantaged; on all of these processes, see Hirsch, 1986). The takeover controversies spawned innumerable Congressional hearings, and 60 bills to regulate takeovers were introduced between 1984 and 1987. However, new legislation was not enacted due to the Reagan government's opposition and the attitudes of the Securities and Exchange Commission (Romano, 1993). Private pension funds, banks, and mutual funds were beholden to the managers of business firms, and had little incentive to discipline them. In contrast, public pension funds were not captives of managers, and were compelled by the ERISA law to discharge their fiduciary responsibilities to their constituents. Public pension fund managers realized that the takeovers market could not discipline managers, and turned to political oversight and activism to check errant managers (Romano, 1993). Public pension funds, such as CalPERS (the largest) and the California State Teachers Retirement Fund, founded the Council of Institutional Investors (CII) in January, 1985. Soon, other watchdogs, such as the Investor Research and Responsibility Center, were established to construct 'blacklists' of firms that jeopardized shareholder interests because of poor performance, self-dealing, or both. Investor-rights watchdogs began to articulate shareholders' grievances and presented the exercise of voting rights as the solution to curtail the power of errant corporate managers. Investor-rights activists also urged public pension funds to bring governance-related resolutions challenging the management of errant companies. Typically, such resolutions offered a rival slate of directors or asked shareholders to disapprove management proposals deemed inimical to shareholders' interests. Anti-management resolutions were attempts by investor-rights activists to browbeat managers into recognizing shareholders' rights to receive information, influence fundamental business decisions, and set acceptable levels of performance.

The preceding discussion suggests some of the conditions under which social movements thrive as vehicles of collective action. Although we portray organizational and market failures as antecedents of social movements, we also recognize the importance of cultural processes that can reconstitute existing fields and reframe benefits as costs. In the next section, we discuss the larger contexts in which such failures can occur, drawing attention to various cultural and structural mechanisms by which social movements construct new organizational forms.

## **ORGANIZATIONAL FIELDS AND SOCIAL MOVEMENTS**

As we noted at the outset, we consider the construction of new organizational forms as pre-eminently a political process. Friedland & Alford (1991: 240–242) argue that the unfolding of new forms consists of:

... [I]ndividuals competing and negotiating, organizations in conflict and coordination, and institutions in contradiction and interdependency ... We conceive of these levels of analysis as 'nested,' where organization and institution specify higher levels of constraint and opportunity for individual action.

Organizational fields operate at a meso-level of analysis that mediates between organizations and institutions, and consist of regulatory agencies, professional societies, consumers, suppliers, and organizations that produce similar goods and services (DiMaggio & Powell, 1983). More than a mere aggregate of organizational players, however, fields exhibit distinctive 'rules of the game', relational networks, and resource distributions that differentiate multiple levels of actors and models for action. Fields also contain potential and realized forms of social control that can select or repress new organizational forms. As a result, fields set many of the political constraints and opportunities that social movements and new organizational forms face as they emerge and attempt to sustain themselves. We identify three field conditions – the 'interstices' or gaps between fields, 'hierarchical' fields, and 'fragmented' fields – that powerfully influence the activities and patterns of social movements and new forms.

### *Social Movements and New Forms at the Interstices of Multiple Fields*

The project of constructing a field-wide environment for a new form becomes more challenging at the intersection of multiple organizational fields, due to diverse interests, multiple (often competing) frames, and entrenched sources of resistance in established fields. Mann (1986) points out that actors create 'tunnels' around existing institutions, up through the 'pores' of society, and

suggests that 'interstitial emergence' is an important pathway of social change. But he does not shed theoretical light on the dynamics of such processes. Further complicating his usage of the concept is that it is simultaneously a gap in social space (an *interstice*), a process (of emergence), and an effect (resulting in change). Below, we draw on Morrill (forthcoming) to describe how social movements at the interstices of multiple organizational fields bundle together particular sets of practices into new organizational forms. We frame our discussion around the proposition that:

New organizational forms are produced at the intersections of multiple organizational fields through social movement processes.

An *interstice* is a gap between multiple industries or professions and arises when problems or issues persistently spill over from one organizational field to another. For example, the problem of 'wellness' spans practitioners located in numerous fields of medicine and alternative therapies. It is in this interstice that the authority of orthodox medicine has weakened and alternative practices of healing have developed as a way to treat complex, chronic illnesses (Kleinman, 1996). Initially, many interstices experience a lack of social visibility as they form vis-à-vis a majority of players in relevant organizational fields. Because most social attention and authority tends to concentrate on conventional practices, many people in a given organizational field will tend to be unaware of initial work in the gaps between fields.

Accompanying the development of alternative practices are critiques of conventional practices. Such critiques can take competing forms of broad attacks on institutional underpinnings or as criticisms of particular practices within organizational fields. During this stage, early innovators begin to label critiques and alternative practices, thus increasing their rhetorical portability. However, these innovations take hold only when innovators develop 'resonant' frames for alternative practices and mobilize mass support (e.g. Snow & Benford, 1992). It is only then that alternative practitioners are able to carve out legitimated social spaces for their practices through the establishment of professional organizations and various symbolic, cultural, and normative boundaries. Such structuration can ultimately modify the institutionalized narratives used to account for orthodox practices and reconfigure the institutional context by creating new organizational forms that compete with and modify existing forms.

#### A Case Example: The ADR Industry

The development of alternative dispute resolution (ADR) during 1965–1995 provides a vivid example of how new forms are realized at the interstices of multiple fields through social movement processes (Morrill, forthcoming).

During the late 1950s and 1960s, critiques of American courts frequently prophesied their 'doom'. Critics found one source of the law's failure in mismanagement and poorly-designed procedures. Another source resided in so-called 'minor disputes' – commercial conflicts over small amounts of money, domestic disputes (including divorce and child custody), and neighborhood squabbles – which placed intractable and complex demands on the courts. Yet a third source erupted during the 1970s and was dubbed the 'litigation explosion'. Here the problem focused on the excessive use of adjudication to solve all manner of problems from complex civil cases to minor disputes (Lieberman, 1983).

In the 1960s, lawyers, social workers, community organization therapists, and judges working for the courts, social work agencies, mental health agencies and community organizations (including churches) began to use a variety of so-called 'informal' methods for handling minor disputes that circumvented 'formal' adjudication. The nature of minor disputes meant that disputants often circulated through a variety of organizations searching for resolution, justice, or therapy to deal with their problems. As a result, personnel from organizations in different fields often interacted with one another to process minor disputes through multiple referrals. Many of these referrals crossed the border between the socio-legal and social services fields, thus suggesting a cross-fertilization of knowledge and sometimes frustration about minor dispute handling among incumbents in diverse occupations.

The techniques used to resolve minor disputes came from many sources. Some techniques traced back to informal methods used by clergy and town officials in communities throughout the U.S., some derived from the domestic relations courts, others approximated labor arbitration in the 1930s, and still others could be traced to informal methods used in tightly-knit ethnic enclaves. Community activists drew from 'anti-authoritarian' modes of political discourse, while social workers used therapeutic techniques and strategies for preserving and strengthening the social bonds of community through open discussions of conflict. Judges and other magistrates used mediation and negotiation in small-claims court settings and in conciliatory (divorce) courts to settle cases quickly and manage the emotional side of such cases. Some lower-court judges regarded informal negotiation and mediation in civil cases as akin to pretrial criminal diversion programs that attempted to route defendants away from the courts to externalize processing costs. Lawyers used informal negotiation in their offices far more than they went to court, although there was little formal education in such techniques and practitioners generally learned them on the fly through experience (Ray, 1982a, b). For those few people who called themselves mediators – a diverse aggregate of social workers, therapists,

and educators – mediation was often ancillary to institutionalized practices of conflict resolution drawn from their professions (Tomasic, 1982).

Two critical masses of supporters arose in the 1970s from the diverse network of individuals and organizations that had experimented in fragmented ways with alternatives to adjudication. Social workers, community activists, legal service lawyers, law professors, and anthropologists formed the first critical mass that framed ADR as 'community mediation'. These individuals had worked and studied in the courts, in social service agencies, in Ford Foundation-funded community centers, and in non-Western settings that used informal dispute resolution. They criticized the courts for being unable to handle minor disputes in a satisfactory way and for limited access for less privileged disputants (i.e. poor people, ethnic and religious minorities, women, and the disabled). Judges, lawyers, and law professors formed a second critical mass that characterized ADR as a 'multi-door courthouse'. This group criticized the inefficiency of the courts, also linking their critiques to the litigation explosion and the influx of minor disputes. They wished to save adjudication for the most 'serious' cases (e.g. civil rights, Constitutional issues, large commercial disputes), leaving ADR to deal with the majority of minor disputes. Their idea was to transplant non-Western community 'moots' to urban U.S. settings as a means of handling minor disputes (Fisher, 1975). Anthropologists had studied indigenous moots in which small groups of community members gathered to facilitate discussion among disputants, to provide therapy via group discussion between victims and offenders, and to reintegrate the principals back into the local community (Lowy, 1973). Legal service lawyers interested in access to law had been interested in how poor disputants could solve their conflicts. The two groups formed something of an uneasy and unconventional alliance, meeting under the auspices of newly-formed interdisciplinary academic organizations (e.g. the Law & Society Association and the Society for the Study of Social Problems) and in small groups in older organizations (e.g. the American Anthropological Association). Out of these interdisciplinary encounters, the community mediation model received its most widely circulated treatment in a 1974 *Stanford Law Review* article by Richard Danzig.

In contrast to the community mediation frame, the multi-door courthouse emerged out of an alliance between high-powered elites: the American Bar Association (ABA) and the U.S. Justice Department. For the ABA, ADR appeared to be a means to judicial control and a way to clean up the 'nightmare' of minor disputes in the courts. Various ABA planning committees provided the Justice Department's Law Enforcement Assistance Administration (LEAA) with early plans for developing linkages between the LEAA's crime



control and civil justice programs that would address minor dispute processing (Harrington, 1985: 74). In turn, the LEAA funded some of the earliest court-based ADR programs, which typically involved streamlined adjudication (e.g. the Boston Urban Court) or prosecutorial, pre-trial diversion (e.g. the Columbus Night Prosecutor). In 1976, the ABA sponsored the 'Popular Dissatisfaction with the Administration of Justice' Conference (referred to as the 'Pound Conference'), bringing together judges, attorneys, social scientists, and mediators to discuss the possibilities of ADR in the U.S. That same year Frank Sander, a Harvard professor of family law and clinical practice, wrote what was to become the most influential, early statement on the multi-door courthouse. In so doing, he, like Danzig through his influential *Stanford Law Review* article, became an important issue entrepreneur for the ADR movement. The multi-door courthouse converged with the community mediation model in its condemnation of the 'over-adjudicated' nature of the legal system and in the idea that not all disputes belonged in the courts.

The multi-door courthouse's goals were primarily bureaucratic: the efficient disposition of cases. Although the community mediation model claimed it too could unburden the court of minor disputes, the ultimate gains from that model derived more from preventing future conflict than from the quick disposition of cases. The models also diverged in their legitimating ideologies. Whereas the community mediation model was grounded in the obligation to preserve social relationships as a basis for community, the multi-door courthouse was based on the idea that an expanded dispute processing repertoire would ultimately save the courts for cases at the heart of liberal political order, namely, constitutional disputes (Sander, 1976: 133). Divergent legitimating ideologies also led to different uses of coercion in the two models. Danzig argued that moots could refer disputants back to the courts for adjudication (as an incentive to settle in the moot), but he implied that these measures should be held in reserve for recalcitrant cases. Community moots are primarily 'private [and] noncoercive' (Danzig, 1974: 53). The multi-door courthouse would have the power to mandate the 'best' forum for disputes. As such, the multi-door courthouse presented disputants with the paradox of mandating participation in dispute settlement processes, which is portrayed as consensual and voluntary, while also requiring settlement.

Professionals (judges, lawyers, case workers) would staff the multi-door courthouse, financed by municipal and state budgets. By contrast, the community mediation centers would rely on private grants, federal funding, and some local governmental funds in return for handling court referrals. The multi-door courthouse fit well with the decentralized state federalism building in the late 1970s, which took full shape during the Reagan and Bush

Administrations in the 1980s. Community mediation articulated with a fading 'Great Society' vision of grass roots activism and federally-funded social programs.

Although widespread evaluation was sparse, the critical masses pushing for community mediation and the multi-door courthouse claimed efficacy for their models, citing the scientific evaluations and technical performance of early demonstration projects. But without comprehensive sponsorship, ADR diffusion moved unevenly through the U.S. But divorce and child custody mediation provided a major fillip to ADR. Divorce represented a most difficult type of minor dispute: relationally complex, emotionally charged, and with high stakes for each party, but not, typically, for the court. Popular perception held that adversarial legal processes were inadequate to handle divorce cases. No-fault divorce statutes sought to "eliminate the adversarial nature of divorce and thereby reduce the hostility, acrimony, and trauma characteristic of fault-oriented divorce" (Weitzman, 1985: 15). No-fault divorce officially changed part of the rules of the game for marriage and family, enabling either spouse to declare that irreconcilable differences made their marriage untenable. During the 1970s, lawyers and therapists working inside the ABA developed the Uniform Marriage and Divorce Code (UMDC), which articulated well with the multidoor courthouse frame. Supporters intended the UMDC to help find the proper forum for divorce and custody disputes within the courts by creating a series of rationales for mediation and other forms of non-adversarial dispute resolution. No-fault divorce spread like 'prairie fire' across the U.S., articulating with several social trends, including the increasing economic independence of women, changing normative conceptions of the family, the women's moment, and the civil rights movement. By 1981 only South Dakota and Illinois lacked no-fault divorce laws on the books, and by 1985, thirty states had joint child custody statutes (Weitzman, 1985: 438, 430–435).

The divorce/custody arena provided a legitimate pulpit for ADR practitioners to preach the benefits of ADR, and reinforced the increasing dominance of the multi-door courthouse. Unlike the ambiguous arena of 'minor disputes', domestic relations courts increasingly defined ADR practitioners as 'family mediators' and embedded them firmly in the courts. In those states with joint custody statutes, mediators played even more prominent roles in the divorce process because of the opportunities for on-going disputes among parents with joint custody arrangements (Milne & Folger, 1988).

If no-fault divorce spurred on ADR's interstitial emergence, it also brought mediators directly into conflict with the legal profession over who would control the disputing process. Lawyers and judges, associated with the adversarial process, now faced professional jurisdictional competition from an

emergent group with practices that corresponded with the non-adversarial intentions of no-fault divorce law. ADR practitioners thus rode the wave of the divorce revolution toward organized professionalization and the creation of a protofield for mediation with distinctive technical and normative boundaries. During the late 1970s and early 1980s, family mediators joined with mediators handling other types of minor disputes to begin professionalization activities along four key dimensions: (1) the development of a common body of knowledge, (2) the founding of professional organizations, (3) the codification of normative standards, and (4) the development of university-based training (Wilensky, 1964; DiMaggio, 1991).

O. J. Coogler, a family lawyer and marriage counselor, published *Structured Mediation in Divorce Settlement* in 1978, which became a central source of knowledge about divorce mediation. Academic and practitioner journals also appeared and carried the 'good word' about divorce mediation specifically, and mediation and ADR, more generally (e.g. *Family Advocate*, *Mediation Quarterly*, *Journal of Conflict Resolution*, *Negotiation Journal*). These venues also touted other forms of ADR as well, such as arbitration, judicial settlement, and the mini-court. Family mediators also began founding organizational vehicles to push their collective interests. They formed committees and interest groups for themselves in established organizations, such as the ABA, and the Association of Family and Conciliation Courts. As they became more organizationally invested, family mediators codified a body of normative standards about mediation: the ABA's 'Standards of Practice for Lawyer Mediators in Family Disputes' and the Association of Family and Conciliation Courts' 'Model Standards of Practice for Family and Divorce Mediation'. These standards in turn fed into more general mediation standards promulgated by NIDR and the Society of Professionals in Dispute Resolution (SPDR) for a wide range of disputing contexts.

These developments enabled NIDR and SPDR to take the lead in uniform training curricula for family mediators and mediators working in other areas of the law and the community. In turn, these curricula laid the groundwork for the first attempts to produce university-trained ADR experts. George Mason University began the Center for Conflict Analysis and Resolution in 1980, and in 1988 admitted its first class of doctoral students in conflict analysis and resolution (Avruch, 1991). By the mid-1990s over thirty degree granting programs existed in colleges and universities across the U.S.

Following on the heels of these professionalization efforts by family mediators, ADR became increasingly organized on several key dimensions that fostered its diffusion (DiMaggio & Powell, 1983). One, NIDR, SPDR, and

other national ADR professional organizations increased the flow of information between ADR practitioners, legal officials and other interested parties through newsletters, ADR case studies, and instructional videos. Two, involvement in conference presentations and presentations to state bar committees, as well as small demonstration grants made by NIDR increased the density of interorganizational contacts between local courts and ADR professional organizations and programs. Finally, these activities reinforced an emergent collective definition of ADR (which was and continues to be split between mediation and other forms of ADR mentioned above) and its increasingly taken-for-granted place in the American socio-legal field.

As mediators became more legitimized and organized vis-à-vis the courts, judges increased their *de facto* practice of ADR in the lower courts, particularly in small-claims cases (McEwen, Mather & Maimen, 1984). When they engaged in ADR, judges most commonly engaged in 'judicial settlement', in which the judge, rather than simply presiding over litigation, became actively involved in fashioning an agreement between disputants. In 1983, amendments to Rule 16 of the Federal Rules of Civil Procedure gave federal judges the explicit authority to 'facilitate settlements'. Within eighteen months of the amendment's passage, 16 states passed statutes that increased the authority of judges to mandate ADR across several types of cases.

During the late 1980s and 1990s, the implementation of ADR at the state level has been spearheaded by various 'advisory boards' attached to state supreme courts. On these boards sit a wide range of interested players, among them judges, professional mediators, lawyers, social workers, therapists, and lay persons. Advisory boards typically pursue multiple goals, including awarding county courts state funds for ADR pilot programs, expanding existing court-based ADR programs, educating the public on the benefits of ADR, setting standards for the delivery of mediation and other ADR practices, and ultimately regulating court-based ADR programs. In Arizona, California, and Oklahoma, for example, the ADR advisory board facilitated legislation (introduced by like-minded legislators) that would establish state-mandated fees for court-based mediation and would require certification for practitioners participating in these programs. In effect, these developments are creating a market for ADR services legitimized and required by the court.

All of these processes provide sites for jurisdictional conflicts over ADR. The diversity of interests on advisory boards (typically commissioned by Supreme Court justices working in conjunction with legislators) in some ways replicates the diversity of specialties and professions that first experimented with ADR in the 1970s. As a result, advisory boards are as much about political contestation over the fate and direction of ADR as they are about creating a

professional jurisdiction and further widening the legitimate niche for ADR in the socio-legal field. State certification efforts, in particular, appear to be headed toward pitched jurisdictional battles between mediators who increasingly are defining ADR as mediation and lawyers who view mediation and arbitration as additional, legitimate strategies in their out-of-court settlement repertoires.

In sum, the professionalization of mediation and the ubiquitous appearance of ADR statutes and court-based programs in the U.S. capped off three decades of interstitial emergence during which ADR was transformed from a set of little-noticed techniques used by practitioners operating in the interstices between the socio-legal and other organizational fields to an increasingly conventional set of practices that have altered the core technology of dispute resolution (adjudication) and have modified the legitimating ideologies of the courts. If court-mandated, fee-based mediation becomes pervasive in the U.S., the ADR movement will have expanded the primary markets for dispute resolution services from lawyers alone (and to a lesser degree, arbitrators), to mediators, and other ADR providers. In this sense, ADR will have created an emergent field-wide environment that may eventually challenge existing fields.

### *Social Movements and New Forms in Fragmented Fields*

In contrast to the resistance and competition that social movements experience as they emerge out of interstitial locations to construct new forms, social movements within fragmented fields are typically consensual in that they find widespread support for a cause and encounter minimal opposition (McCarthy & Wolfson, 1992). Organizational fields can be fragmented because multiple state agencies at different levels have conflicting goals and overlapping jurisdictions (Meyer & Scott, 1983). Fragmentation is also exacerbated when professions have weak jurisdictions (Abbott, 1989), when producers are unable to band together into trade associations, and when consumers and suppliers exercise little influence and are disorganized (Powell, 1991). Thus

Consensus movements are likely to arise in fragmented organizational fields to establish new organizational forms.

When organizational fields are fragmented and lack a clear center of power, elites are disorganized and possess little influence to change the system. Additionally, elites are also unlikely to have the incentives to be pioneers and join a collective enterprise on the 'ground floor'. Instead, elites are more likely to act as fast followers. Even when there is consensus about the need for structural innovation, there may not be an infrastructure to propagate and

diffuse the innovation in question. Hence, mass mobilization is necessary if existing structures are to be replaced by new structures.

#### A Case Example: The TQM Movement

A striking illustration is the social movement that spawned organizational arrangements in America premised on the 'the new quality paradigm' chronicled by Cole (1999). While the 'old control paradigm' defined quality as 'conformance to requirements' and was concretized in a special department consisting of specialists, the 'new empowerment paradigm' focuses on customer preferences, presumes that quality is a corporate strategy, involves all employees in cross-functional teams, deploys a well-defined problem-solving methodology, and presupposes training.

During the early 1980s, a major quality gap between U.S. and Japanese companies was identified by engineering experts and market surveys. Quality, a low ranked criterion in consumer auto purchase decisions in the mid-1970s, became one of the highest-ranking criteria in the early 1980s. Despite customer dissatisfaction, few firms responded with innovative solutions, or even imitated Japanese advances. Managers in many U.S. firms ignored quality as a competitive factor and attributed the superior performance of Japanese firms to Japanese access to cheap capital, government support, and the manipulation of currency rates. Managers also believed that high quality and low cost were contradictory goals, and that diminishing returns would come from additional increments of quality (Cole, 1999). Many American managers perceived the model of continuous quality improvement as impractical. Although Japanese firms were willing to share their quality management initiatives, norms legitimating such sharing did not exist among American firms. A few firms (e.g. Fuji-Xerox, Ford-Mazda) with Japanese joint-venture partners, used these opportunities to learn about quality management.

In Japan, the Japanese Union of Scientists and Engineers (JUSE), a central organization collated field experiences of companies and developed a standard model of quality management. By contrast, the United States had a fragmented national infrastructure that was ill-suited to impose order on managerial understanding. The American Society for Quality Control (later rechristened as the American Society for Quality) was perceived as a group of low-status 'techies' who were associated with failed old methods of quality control, and did not have the stature of JUSE. Consequently, the new quality paradigm and its component social structures took root only after a social movement dedicated to total quality management emerged in the United States.

Issue entrepreneurs, such as W. Edwards Deming, Joseph Juran and Philip Crosby, critiqued the 'control' paradigm of quality and exhorted firms to

implement the new quality paradigm through seminars, books, and pamphlets. But it was only after a community of activist organizations emerged that the model of total quality management began to diffuse. The quality movement was powered by seven groups of activists: GOAL/QPC, the Conference Board's Quality Councils, the American Supplier Institute, the American Society for Quality, the Malcolm Baldrige National Quality Award, the ISO 9000 series, and the emergent consultant industry. These activists created standards, identified bottlenecks, introduced new methodologies, publicized success stories, focused efforts, evolved forums for networking, and provided overall infrastructural support to users (Cole, 1999).

GOAL/QPC was originally a local community-based group seeking to revive industry in the Lawrence/Lowell, Massachusetts area, and after being inspired by Deming, began to focus on quality management and transforming themselves from a local to a national non-profit research corporation. In 1987, they set about creating an intercorporate research group that would identify best quality practices in Japan, translate key documents, and help interpret them. The organization was particularly prominent in assuming the early leadership to adapt and apply 'policy management' (*hoshin kanri*) in the United States. By 1992, GOAL/QPC had thirty-six sustaining prominent members drawn from firms, such as General Electric, Hewlett-Packard, Procter and Gamble, IBM, Ford Motor Co., Xerox, and Intel. GOAL/QPC conducted a great number of public seminars and conferences on quality subjects. By the early 1990s, its annual conference, begun in 1984, attracted between 1,000–1,500 participants (Cole, 1999). As a consortium of leading companies that experimented with new quality improvement methods, GOAL/QPC reduced the costs of learning from the Japanese and facilitated information-sharing across firms.

While GOAL/QPC's participants were middle-ranking executives closely involved with quality, the Conference Board's Quality Council catered to top corporate executives with quality responsibilities. The first U.S. Quality Council, begun in 1985, existed as a forum for information sharing and included firms from diverse industries. A major theme of initial council meetings was the comparison of strategies for increasing Chief Executive involvement in quality improvement efforts. The first council also involved itself in formulating national policy via the establishment of the Malcolm Baldrige National Quality Award. The Conference went on to establish 13 councils, and by 1997, some 150 organizations with a total of some 200 executives were participating in the councils. At the end of 1995, the Conference Board set up a Total Quality Management Center composed of the 147 participating companies, mostly in the private sector (Cole, 1999).

Industry-based organizations like the American Supplier Institute (ASI) were prominent in bringing the new quality approaches to auto industry suppliers. Founded in 1981, as the Ford Supplier Institute, the ASI separated from Ford in 1984, and became a non-profit educational institute. Its new Board of Directors included representatives of the major automotive supplier companies, as well as Ford, GM, and Chrysler. ASI came to play a major role in the diffusion of Taguchi methods, quality function deployment (QFD), and design of applications to product development among auto industry suppliers. ASI staff 'Americanized' Japanese methods, much as GOAL/QPC did, and by the late 1980s, ASI seminars and workshops had trained more than 25,000 engineers and executives from more than 150 major companies (Cole, 1999).

The creation of the Malcolm Baldrige National Quality Award was the single most important event that provided a fillip to the quality movement and widened its appeal. Until the Baldrige formulated a roadmap for achieving sustained quality improvement, the 1980s had been characterized by an era of competing gurus (Juran vs. Crosby vs. Deming vs. Armand Feigenbaum vs. Kaoru Ishikawa). Unlike the Deming Prize, the Baldrige Award emphasized rewards and outcomes, and was transparent. The Baldrige protocol – an audit framework for telling companies where and in what ways they must demonstrate proficiency to attain superior quality performance – codified best practices for quality improvement over a range of critical areas. By the mid-1990s, over one million copies of the Baldrige protocol were distributed to potential users (the peak number distributed was 240,000 in 1991). Many firms used it solely to conduct diagnostic activities and companies routinely sent their key quality personnel to be trained as Baldrige examiners. They returned to their firms with added expertise, and each year's Baldrige examiner class created important networks for the diffusion of best practice ideas. The Baldrige also spawned state and local awards, and by 1997, more than 40 states offered quality awards (Cole, 1999).

### *Social Movements and New Forms in Hierarchical Fields*

Some organizational fields are characterized by a distinct dominance order in which a few groups of actors operate at the apex while others survive on the bottom. In such instances, groups of influential actors have vested interests in preserving the social order. Consequently, structural innovations seldom emerge out of the center of a hierarchically-organized field, but instead, originate in the periphery, and may conflict with the interests of central players. Since actors at the periphery of a field – similar to those in the interstices between fields – possess little influence and lack resources, social movements



are the vehicles of collective action by which new forms become established. Such social movements typically assume a 'conflict-oriented' character in the sense that conflict arises when organized attempts to modify the prevalent institutional order encounter opposition from interest groups opposed to the change. Hence, "a range of definitions of the situation" can exist (Zald & McCarthy, 1980: 6), and rival coalitions of issue entrepreneurs can champion incompatible frames. Thus:

Conflict-oriented movements are likely to emerge in hierarchically structured organizational fields to establish new organizational forms.

#### A Case Example: Craft-Brewing

The growth of the craft-brewing movement offers a striking example of a conflict-oriented movement producing a new organizational form in the U.S. hierarchical brewery field (Carroll & Swaminathan, 1998). Micro-breweries and brewpubs were outcroppings of a craft movement that arose in reaction to the 'industrial beer' produced by the dominant firms in the beer industry – especially Anheuser Busch, Miller, and Coors. In 1980, the U.S. beer industry was divided into domestic beers, which were light and inexpensive, and imports, which came in green bottles and had more flavor. The large domestic beer producers controlled virtually all of the beer market due to enormous economies of scale of their production, distribution, and marketing.

Beer aficionados were discontented due to the lack of choice, and the dearth of fresh and tasteful beer sold onsite at bars, restaurants, and other gathering places. 'Pro-choice' aficionados, such as Fritz Maytag, the owner of Anchor Brewing (producers of 'Anchor Steam' beer), exploited this discontent and began to produce small quantities of tasteful beer using traditional methods, and targeted consumers searching for such options. Soon, other micro-brewers and brewpubs commenced production of small quantities of beer using craft methods. The Great American Beer Festival, established in 1982, drew about 40 brewers and 700 beer enthusiasts. These first shots sparked a revolt against the 'beer establishment' and other enthusiasts started brewing in small quantities using traditional methods. By 1994, there were close to 500 establishments that are part of the \$400 million craft beer movement in the United States and micro-brewers crafted more than 2 million barrels of beer, which produced revenues much less than the total sales of Michelob Light.

As a craft movement, then, the micro-breweries were by definition, less about scale and more an expression of a new identity. The identity of micro-brewers was premised on small scale, authentic and traditional methods of production, and fresh beer with a myriad of tastes. As aficionados armed with small kettles, fresh ingredients, and unique recipes began to produce a stunning

variety of beers, other beer lovers sought to solidify the identity of craft brewing by establishing an infrastructure to support the craft-brewing movement (Carroll & Swaminathan, 1998).

A mainstay of the craft-brewing movement was the Institute for Brewing Studies (IBS). An association dedicated to craft brewing, it was founded in 1983 to provide technical data, the most recent statistics, updates on both local and federal regulations, and to distribute a magazine, *New Brewing*, to members. Craft-brewing aficionados also sought to educate the consumer. Festivals, such as the Great American Beer Festival or the Texas Brewing Festival, started to educate consumers about the choices available in the market and provided a platform for aficionados to assess how their beer fared vis-à-vis other specialty beers. The Great American Beer Festival initiated a consumer poll designed to choose the best five beers in 1983, and continued this poll until 1989. The poll was replaced by the Professional Blind Taste Test that chose winners and grew to become the most prestigious contest in the U.S.

The growth of the craft-brewing movement did not go unnoticed by the dominant industrial beer producers, who responded by establishing 'specialty beer' divisions. 'Contract brewers', who sub-contracted the production of beer, also grew. However, craft-brewing enthusiasts policed pretenders to their identity by quickly ridiculing them as impostors. Arguably, the policing of inauthentic incursions by craft-brewing enthusiasts sustained the identity of craft-brewing and spurred the growth of the movement. By 1998, the craft-brewing movement consisted of more than 1306 micro-brewers and brewpubs.

An important consequence of the craft-brewing movement's emphasis on choice, taste, and freshness also marked the birth of the homebrewing movement. The American Home Brewers Association was established by homebrewing aficionados to 'democratize' the production of beer, and fostered the growth of home-brewing clubs. It also created a 'Beertown University' for aspiring home-brewers, and by 1998, there were more than 600 home-brewing clubs, and a full-fledged contest to evaluate the quality of home-brewed beer.

This section has demonstrated how field conditions powerfully influence the political processes by which new forms are constructed. Movements that arise out of the interstices between fields face problems of internal solidarity and entrenched resistance in existing fields. Social movements in hierarchical fields face similar problems in terms of resistance when powerful actors first try to quash them and then infiltrate or imitate them to defuse challenges to their authority. By contrast, social movements in fragmented fields, such as the quality movement, often become consensus-oriented and face little entrenched resistance to their aims. Field conditions also affect the forms constructed by

social movements. Movements that emerge between fields, if they are to succeed, must construct a new field-wide environment. Hence, the ADR movement has worked to create new production and consumer markets in which court-based ADR providers, private providers, and other ADR organizations would operate. To nourish new forms in hierarchical fields, social movements must create subfields (or subcultures) *within* an extant field, which in turn can lead to marginalization, that ironically, can feed into the preferred identities of supporters. In our discussion of changes in the production and consumption of beer, we demonstrated how the microbrewing and homebrewing movements created subfields in the shadows of industrial brewing, that by most accounts, fits the preferred identity of craft brewers and consumers. In fragmented fields, movements ultimately convert the field to the new form, thereby transforming the field-wide environment to suit the form. Our exploration of quality management amply illustrates this outcome. There are few venues within corporate or other large American organizations that do not at least pay lip service to the ways their organization achieves quality management. In the next section, we turn to other dimensions of the political processes by which new forms are constructed in response to social movements.

## **REACTIVE POLITICS, SOCIAL MOVEMENTS AND NEW FORMS**

Until now, we have concentrated on movements that make initial thrusts to construct new forms between or within existing fields. Such movements, as we noted earlier, often occur in response to various types of organizational and market failures. However, movements themselves generate reactions to their own activities that can modify their development and impacts. We turn now to a discussion of three types of reactive politics and their implications for the construction of new forms: ‘spin-off movements’, ‘counter movements’, and ‘boundary truces’.

### *Spin-off Movements and the Rise of New Forms*

The preceding account of how the craft-brewing movement led to the homebrewing movement directs attention to how a movement can spawn spin-off movements. More formally, McAdam (1995) distinguishes between rare, but exceedingly important, initiator movements “that signal or otherwise set in motion an identifiable protest cycle” and more populous spin-off movements “that, in varying degrees, draw their impetus and inspiration from the original

initiator movement". Spin-off movements represent the diffusion of the master logic animating an initiator movement, and entail the customization of the initiator movement's master logic. Thus:

New organizational forms are likely to emerge when spin-off movements customize the master logic driving an initiator movement to a new locale.

#### A Case Example: HMOs

A striking example of this process – *initiator movement* → *spin-off movement* → *new organizational form* – occurred when the U.S. consumer movement led to the movement for health care reform in the 1970's that in turn spawned health maintenance organizations (HMOs). Medical professionals, through the American Medical Association (AMA) dominated the American health care field from 1940 until 1965 by framing and deciding key issues according to the professional models and norms. At the core of the AMA model was a concern for 'quality' and the standards of 'sound' medical practice. A turning point occurred in 1965 as the Johnson Administration accepted responsibility for caring for the elderly and the poor through the Medicare and Medicaid programs. As the federal government (regulators, funding agencies, and congressional committees) became the apex player in the health care field, its decisional locus shifted from quality to emphasize 'equity'.

In the early 1960s, a movement dedicated to consumer interests had already begun to gather fervor chiefly under the leadership of Ralph Nader. In contrast to the consumer movement of the early 1930s that constructed the consumer as a rational decision-maker and resulted in the growth of special-purpose ratings agencies, the consumer movement in the 1970s articulated the rights of consumers to affordable, safe and well-made products. Nader and other consumer activists critiqued automobile manufacturers and other industrial producers for making unsafe products and exploiting the consumer. They also persuaded the Kennedy Administration to recognize the consumer's interests by promulgating a Bill of Rights for the consumer, and launched a campaign to enforce these rights through legal activism.

The consumer movement led to a spin-off-movement within the health care field, and culminated in the production of health maintenance organizations in the 1970s, chiefly due to the efforts of Paul Ellwood. As the executive director of the American Rehabilitation Institute, Ellwood assailed the existing fee-for-service system because it rewarded physicians for treating illness and withdrew care when health was restored. He critiqued the system for shortchanging consumers and not providing them preventive and rehabilitative health care, and sought to create a system that promoted the interests of consumers.

Ellwood seized on the idea of pre-paid group practices, pioneered early in the 20th century in the American Northwest by two doctors who contracted with mills and lumber companies to deliver health care to enrolled employees for a pre-set fee every month. County medical service bureaus in Tacoma, Washington – the predecessors of local medical societies – resisted this scheme. After the Depression in 1929, pre-paid medicine received a shot in the arm when Michael Shadid sold shares for a community hospital in Oklahoma in return for medical care. The county medical society expelled Shadid and a few other physicians who emulated him. Both Shadid and his emulators fought back through lawsuits and won. Nonetheless, in 1932 the AMA opposed pre-paid medical care. While urban pre-paid practices sporadically cropped up in Washington and New York, industry interest in pre-paid practice did not whole heartedly begin until Henry Kaiser asked Dr. Sidney Garfield to establish a pre-paid scheme for workers in his shipyards in 1942. After World War II, the Permanente Health Plan opened to the public for enrollment, and unions began to establish pre-paid group health plans in the auto and mining industries. However, by 1970, there were only 39 pre-paid group practices in the United States (Mayer & Mayer, 1985).

The term ‘health maintenance organization’ did not enter the lexicon until Paul Ellwood, a Minnesota physician and big thinker, coined it in his push to get the government to support pre-paid health care. Ellwood recruited allies from the non-profit arena and sought to make health care affordable for consumers; he also emphasized preventive health and advanced the interests of consumers. Ellwood and other activists were able to persuade the federal government to endorse HMOs because the Nixon Administration did not have a health care policy plank. Rising public concerns about mounting health care costs and the Nixon Administration’s concerns about the costs and ideology associated with Medicare and Medicaid also made health care a focal issue in the early 1970s.

The Nixon Administration sought to appoint Dr. John Knowles as the Assistant Secretary for Health and Scientific Affairs, then the highest health position in the government. They were thwarted by the AMA lobbyists who lobbied Congress against Knowles’ appointment. Eventually, Dr. Roger Egberg was appointed as an alternative after a six month tussle between the AMA and the Nixon Administration. This delay proved propitious for Ellwood because non-physicians with a background in law and management rose to power in the leaderless department of Health and Scientific Affairs. Since senior Nixon Administration aides believed that they were behind, rather than ahead of, a rising popular concern with health care and health costs, they found Ellwood’s proposal attractive. The Nixon aides entrusted with health care policy were

non-physicians from California who were familiar with Kaiser Permanente and accepted the premise of pre-paid health care. Ellwood and his activist network lobbied the Nixon Administration to establish the HMO Act of 1973, which in part extended government grants to start-up HMOs. Moreover, the AMA could not strongly oppose the Act because it had just emerged from a bitter, losing political battle over Egberg's appointment, and an even larger conflict over the founding of Medicare and Medicaid. In order to further defuse opposition from the AMA, Ellwood and his allies replaced the label of 'pre-paid practice' with the more nebulous 'HMO' appellation.

An outcome of Ellwood and his network's lobbying efforts was the rapid growth of HMOs. Many of the early HMOs were founded along non-profit lines and were imbued with a sense of social mission. They belonged to the 'group' format, wherein the HMO employs medical staff and cares for patients for a pre-set fee, or contracts with one or more multi-specialty physicians' groups to do so. The number of group HMOs increased from 39 in 1970 to 200 in 1977, and by 1991, there were nearly 400 group HMOs in the U.S.

### *Counter Movements and New Forms*

Another reaction to a social movement can be a counter-movement that defends interests unrepresented by the social movement and undermines those calling for institutional change (Useem & Zald, 1982). The conflict between 'pro-life' and 'pro-choice' movements exemplifies the tussle between a movement and a counter-movement. When a social movement dedicated to a cause establishes a new organizational form to embody and advance the cause, a counter-movement can respond by using its existing organizational infrastructure to mobilize support from the media, governmental organizations, and the professions. These tasks can become easier for a counter-movement because it incorporates important facets of the cause originally championed by its opponents. The counter-movement, for example, can establish organizations that emulate organizations founded by its opponents. The object in such instances can be outright 'identity theft', as in the case of lumber firms who founded organizations with names identical to environmentalist organizations in the American Northwest. 'Astroturf' organizations are a more subtle aspect of this in which environmental 'grass-roots' organizations are funded by corporations as a strategy to inject more moderate environmental 'concerns' into a political process, thereby drawing support and attention away from radical environmental groups. In other cases, the purpose of such strategies may be to yoke the organizational arrangements favored by opponents to the interests of the counter-movement. Thus:

New organizational forms are produced by counter-movements seeking to incorporate the identity of their opponents.

A striking illustration of this proposition was the effort by physicians to counter the 'group' HMO with HMOs organized on the model of an independent practice association (IPA). Since the birth of the first pre-paid group practice schemes, physicians have perceived it as a threat to their independence and way of life. As we noted previously, the pioneers of the Tacoma pre-paid group practice plan, and later, Michael Shadid, were expelled by their local county medical bureau and medical society. However, these expulsions were later overturned by court orders. After a while, the AMA lobbied against pre-paid health care, but supported what they considered a lesser evil, health insurance, that paved the way for the birth of the Blue Cross in 1932.

In the 1950s, the growth of the group HMO coupled with the legal victories won by group HMO pioneers induced physicians committed to the fee-for-service model to preserve free enterprise through a system of foundations for medical care. These organizations consisted of pre-paid service plans in which fee-for-service physicians were loosely bound together in an agreement to accept fixed-fee schedules, peer reviews, and the risks of financial loss. The first such effort, the San Joaquin Foundation for Medical Care, was created in 1954 as a response to the attempt by labor organizations to establish a branch of Kaiser Permanente (a group HMO). The San Joaquin Foundation became the forerunner of HMOs organized on the IPA format.

After Paul Ellwood and his activist allies helped the Nixon Administration push through the HMO Act of 1973, physicians committed to traditional medical practice arrangements began a full-fledged movement to establish HMOs premised on the IPA format. Physicians in IPAs are less dependent on the HMO than physicians in group HMOs; the former secure a maximum of 30% of their patients from the HMO, and the latter draw up to 70% of their patients from the group HMO. Local medical associations, in turn, sponsored IPA formation as a defensive, competitive response to group HMO formation (Brown, 1983), and provided an infrastructure for the IPA movement. In 1977, there were nearly 200 group HMOs but less than 50 HMOs based on the IPA format, but by 1988, HMOs on the IPA format reached more than 550, whereas, group HMOs had crested at 400 (Wholey, Christianson & Sanchez, 1993).

### *Boundaries of New Forms as Truces*

When an unfilled resource space "calls forth and permits a range of definitions of the situation" (Zald & McCarthy, 1980: 6), rival coalitions of issue entrepreneurs can champion incompatible frames. The choice between frames

and organizational embodiments becomes a political question (DiMaggio, 1994; Tarrow, 1989). The competition between the 'community mediation' and 'multidoor courthouse' frames in the ADR case illustrates such questions, as does the rivalry between group and IPA HMOs.

The success of collective action efforts, and the endorsement of powerful actors, shape the selection of frames and the concomitant choice of organizational boundaries. Collective action and the endorsement of powerful actors become even more important when technical differences amongst rival frames and structural proposals are minimal. In cases where the criteria for a good technical solution are contested, political and institutional processes shape not only what organizations can do, but which organizations can exist (Powell, 1991: 186–187).

The coalition that garners the greatest political support will find that its frame will be privileged (Brint & Karabel, 1991: 355; McAdam, 1994). Whether a coalition wins or not hinges on its size, the existence of political opportunity, the attitude of state actors, its support from professionals, and its ability to build a political coalition around an identity (Fligstein, 1996: 664). Hence, the scope of the form, that is, the goals, authority structure, technology and clients subsumed by the form, are outcomes of contending attempts at control and competing quests to impose a preferred definition of the identity of the constituencies that benefit from the form (White, 1992). In organizations, new routines also trigger conflict between members of the organization, and only become operative when there is a comprehensive truce, or when there is a cessation of conflict among members of an organization (Nelson & Winter 1982: 109–111). Analogously:

The boundaries of a new organizational form become established only when there is a truce amongst the constituents of the organizational field about which frame will be used to organize activities.

Like truces among nations, truces among rival institutional entrepreneurs can be unequal, with some winning a larger slice of the cake and as a result, achieving a privileged position for their frame. March & Olsen (1989) suggest that conflict resolution can occur through the logic of aggregation and give and take, or the logic of integration wherein one of the parties learns from the other and even converts to the other's point of view. Those who lose can exit the arena, concentrate on a different niche, or even embrace the ascendant frame as a loyal supporter. When the proponents of a losing frame abandon deviant ideas and capitulate by adopting the ascendant frame, they can 'normalize' themselves and become integrated into the social system.

Truces increase the capacity for collective action by reducing comprehensiveness; some points of view are ignored or suppressed. The terms of a



truce among rival institutional entrepreneurs can never be completely explicit; thus, the maintenance of truces depends upon the disincentives for actors to engage in provocative actions and the defensive alertness of parties keen on preserving the status quo. As a result, just like intra-organizational routines, organizational forms are “confined to extremely narrow channels by the dikes of vested interest. Adaptations that appear ‘obvious’ and ‘easy’ to an external observer may be foreclosed because they involve a perceived threat to the political equilibrium” (Nelson & Winter, 1982: 111).

#### A Case Example: Consumer Watchdogs

Below, we draw on Rao’s (1998) account of non-profit consumer watchdog organizations for a compelling example of how the boundaries of new organizations spawned by social movements embody truces. Consumer watchdogs arose in the 1930s when growing durable goods expenditures, complex product choice, deceptive advertising, and the lack of product liability rules put the consumer in a perilous position vis-à-vis producers. In this context, two issue entrepreneurs, Stuart Chase and Frederick Schlink, diagnosed the problems facing consumers, and framed a new social control mechanism as the solution – the consumer watchdog organization. In a series of books, Chase and Schlink portrayed the consumer as an Alice-in-Wonderland created by advertising and product differentiation. They blamed manufacturers for failing to *serve* the consumer and instead, creating wasteful variety. They also urged consumers to imitate Schlink’s consumer’s club set up with the help of a church in White Plains, New York. This neighborhood club prepared two ‘confidential lists’ – one carrying products considered to be of good value in relation to their price; the second, products one might well avoid, whether on account of inferior quality, unreasonable price, or false and misleading advertising. The book sparked hundreds of inquiries, and Schlink transformed the neighborhood club into Consumers Research Inc. – an organization that sought to serve as an ‘economist, scientist, accountant’. The list was renamed as the ‘Consumers Research Bulletin’ that would “investigate, test, and report reliably on hundreds of commodities . . .”.

As a new form of social control, Consumers Research (CR) encountered very little opposition. Its founders deftly framed their critiques of business and advertising around the ideas of service to the customer and truth-in-advertising – concepts that businessmen and advertisers had begun to implement in a bid to professionalize their trades. CR’s founders also borrowed elements of their solution – standards, testing, and science – from the work of industrial standard-setting bodies and the home economics profession. CR grew quickly.

In 1927, it had 656 subscribers and by 1933, there were 42,000 subscribers (Silber, 1983).

In 1932, budgetary disagreements within CR about how much money should be spent on testing vs. advocating reform of labor conditions flared into the open. Some employees and members of the board believed that CR should lobby for the reform of labor conditions. By contrast, Schlink and others thought that social questions concerning wages and working conditions were beyond their scope. Thus, CR was beset with a debate about whether it would be an impartial provider of information for consumers or a journal of radical political economy dedicated to the improvement of workers and labor conditions.

These tensions flared during a union recognition drive by CR's employees in August 1935. When 20 or more employees formed a Chapter of the Technical, Editorial and Office Assistants Union and asked for recognition, John Heasty, a chemist and union president, and two other union activists were fired. In the ensuing strike, Schlink and his allies believed the strikers were 'dupes of business' and 'Communists'. As a result, thirty workers led by Arthur Kallet established a new organization called Consumers Union Inc. (CU) that sought to unite the cause of consumers and workers. Its publication was to be called *Consumers Union Reports*.

CU was more than a breakaway faction of CR and was premised on a strikingly different diagnosis of the problems facing the consumer. The organization's founders believed a watchdog guarding consumers could not merely provide scientific, impartial, and objective information to them to make rational purchasing decisions. Instead, the CU's founders defined the consumer as a worker concerned with the standard of living and not just a rational actor seeking to get the best value for his or her money. The problem facing consumers was not one of variety and deceptive advertising, it was also one of wages and income.

Like its rival CR, CU also valued the norms of scientific analysis and rational purchasing and was committed to impartial testing. In contrast to CR, however, CU saw buying as a socially responsible act, urged members to picket anti-union stores, and pleaded with them to use labor conditions as a criterion in the purchase process. CU also committed itself to the norm of equity in incomes and viewed itself as a critic of companies exploiting their workers. Its founders were careful to signal their commitment to impartial testing by not only having a non-profit organization, but also by decoupling product ratings from evaluations of labor conditions. If CR focused its scope of operations on testing and concentrated on one constituency – consumers, CU diversified its

operational scope and pursued two constituencies – consumers and workers, or ultimately joined the two in a single identity, consumers-as-workers.

As CU pursued its political path, CR's model of the consumer-as-rational-decision-maker diffused through governmental agencies and professional societies. In its wake, the Consumers Advisory Board was established in the National Recovery Administration in 1933, which in turn sponsored a report by Robert Lynd, the sociologist, that called for the creation of common standards and the allocation of funds for testing. A Consumer's Counsel was established in the Department of Agriculture in 1933 that issued a bi-monthly publication called *Consumer Guide*, which enjoyed a circulation of over 150,000. The concepts of rational decision-making, standardization, and scientific testing also spread in professional circles. The American Home Economics Association set up a Standing Committee on the Standardization of Consumer Goods in 1927, became a member of the American Standards Association in 1928, and organized cooperative standardization projects between women and merchants in several cities (Sorensen, 1941: 66). Later, other long-established national organizations, such as the National Education Association, the American Federation of Teachers, the American Marketing Association, the Mid-Western Economics Association, and others began to devote time to consumer education issues during their annual conferences.

By contrast, small newly-founded consumer groups such as the Consumer Conference in Cincinnati (1934), the League of Women Shoppers (1935), the High Cost of Living Conferences (1935), and the Milk Consumers Protective Committee (1939) endorsed CU. Increasing circulation of CU's *Consumers Union Reports* became crucially important to CU's founders for several reasons. First, they realized that their bulletin was not reaching low-income workers, and felt that boosting circulation could help them sustain inexpensive editions. Second, CU was wary about creating local groups because it did not want to be legally responsible for their conduct. Third, increasing circulation represented a way for CU's founders to jump-start the consumer movement and push for radical reform. Finally, resources from increased circulation were essential to fund an expansion of the product testing program and reward technical talent.

CU's attempt to increase circulation evoked resistance from diverse institutional actors. CU sought to advertise itself through mass media but faced a media boycott. Sixty-two newspapers, including the *New York Times*, refused to sell it advertising space. Other magazines and newspapers, especially those in the Hearst system, attacked CU. In its second issue, CU asked its readers to support a strike against Hearst's Wisconsin News, and from 1936 to 1939 issued articles that exposed the Good Housekeeping Institute – so much so, that

the Federal Trade Commission investigated the Good Housekeeping Institute. As a result, William Hearst himself became a bitter enemy and charged that CU was a Communist front organization. The *Women's Home Journal* also ran editorials and essays accusing CU of undermining the American way of life.

The attacks reached their zenith in 1938 when a House Committee on subversive activities chaired by Congressman Dies sought to investigate if CU was in fact engaging in un-American activities harmful to the national interest. J. B. Matthews, an associate of Schlink's at CR, served as counsel for the Dies Committee, and suggested that Kallet's writings and the fact that a CU ex-employee, Susan Jenkins, had admitted to being an employee of a Communist newspaper, the *Daily Worker*, were proof that the organization was indeed a Communist front. Matthews went so far as to label CU a 'red transmission belt', which was then printed in several Hearst newspapers and a high-circulation Hearst magazine, *Good Housekeeping*. The pressure exerted by hostile activists (such as Matthews), elements of the media (Hearst newspapers), and politicians (such as Dies, and others on the House Committee on un-American Activities), impelled CU's founders to disengage from radical advocacy.

CU's adaptation to this new orientation was a gradual process of disengaging from the labor agenda. During the second annual meeting in 1938, three resolutions urging a focus on ratings and a disavowal of interest in labor and the threat of fascism or other 'ideologies' were introduced but not approved. In a turnabout in 1939, CU began to assert that "just the ordinary products bought each day can save members \$50 to \$300 a year" (*Consumer Reports*, April, 1939: 14). In 1939, Kallet and Colston Warne, the president, sought to derive support from the scientific community, and arranged a meeting with the Cambridge-Boston chapter of the American Association of Scientific Workers (AASW), a fledgling organization that was created in 1938 by a group of biologists at Woods Hole, Massachusetts. At this meeting, CU members confessed to the inadequacy of their testing and the AASW agreed to provide expert advice and testing for certain products. In 1940, the CU Board rejected an attempt by the editor of *Consumer Union Reports* to recruit union members as subscribers. In the same year, a National Advisory Committee comprised of academics was also created to establish linkages with colleges and universities.

Over time, CU slowly ceased to be an engine of political, social, or moral reconstruction and reinvented itself as an impartial testing agency. CU began to recognize products as conditionally acceptable and expanded its testing. This ensured that testing was done in-house, instead of being subcontracted out as it was at CR. Its evaluations appeared in the form of tables and charts with

numerical results of tests. Annual surveys of its members enabled it respond to its subscribers' needs. Even after introducing a segment on Health and Medicine in 1945 and providing careful summaries of medical research on smoking, *Consumer Reports* provided information on how to 'roll your own' cigarettes during the cigarette famine of 1945.

By emphasizing testing and science and by disavowing radical labor advocacy, Kallet and his colleagues not only shielded CU from external attack but transformed it into a scientific conservative to fit with the prevailing beliefs about science, rigor, and objectivity. The price of viability for the organization was unilateral abstinence from advocacy. CR may have won the tussle over what a non-profit watchdog ought to be, but it was outdistanced in the battle for circulation. By joining the media and politicians in critiquing CU, CR may have sown the seeds for its own decline because the embrace of scientific conservatism proved advantageous to CU. By 1949, with 500,000 subscribers, CU rated 1,793 brands spanning 116 products, and its technical division was divided into electronics, textiles, automobiles, special projects, chemistry, and foods. By contrast, CR had made little progress and refused to publicize its circulation details.

The case study of the origins of non-profit consumer watchdog organizations shows how the boundaries of organizational forms are defined by institutional processes rather than by transaction cost considerations. CU and CR represented two potential ways of bundling the activities of the non-profit consumer watchdog form. Neither model enjoyed a decisive technical advantage – if CR's focus reduced its coordination costs, then CU's diversified emphasis led to economies of scope in lobbying. Each model was premised on a different notion of the identity of the consumer. Chase and Schlink defined a consumer as a decision-maker keen on getting the best value for the money, promoted norms of efficiency, rationality and scientific analysis, and extolled watchdogs as impartial testers. Chalet and his allies viewed the consumer as a worker keen to better his standard of living, promoted norms of socially responsible buying and equity, and portrayed watchdogs as engines of radical change. CR and CU, therefore, represented alternative models for the social control of industry, premised on different ideals of identity.

Thus, a contest over the identity of the consumer delineated the boundaries of each form. When CU's founders bowed to pressure by embracing the model of an impartial tester and disavowing socio-political advocacy, there was a cessation of hostilities and a moratorium on the debate about the identity of consumers and non-profit consumer watchdogs. This truce on the contours of the non-profit consumer watchdog form persisted because CU's founders were keen to avoid the risks of political pressure from Congress, and the defensive

alertness of actors opposed to socio-political advocacy. The absence of debate about the role of non-profit consumer watchdogs made it possible for them to rationalize consumption and to become influential monitors of big business.

## CONCLUSIONS AND IMPLICATIONS

Our goal in this chapter has been to sensitize readers to the construction of new organizational forms as a political process in which various forms of collective action, especially social movements, play prominent roles. A political perspective directs attention beyond technological or transaction cost analyses of organizational change to consider how entrenched, field-wide authority is collectively challenged and restructured; how new norms, values, and ideologies are infused into social structures via political contestation; and how institutional entrepreneurs and activists play key roles in framing new practices, mobilizing resources (including constituencies), and garnering legitimacy for new forms. Along the way, we have considered how larger cultural and social contexts – organizational fields – influence social movements and have explored the reactive politics that social movements generate. Our approach thus paints a more conflictive portrait of the construction of new organizational forms than is usually offered in the economic, organizational ecological, or cultural-frame institutional literatures, and it is one we believe better captures the political realities of organizational change. This approach also raises several questions for future research on the politics of organizational change.

The first of these questions concerns the conditions that spawn social movements. Our approach presumed that organizational and market failures were givens and glossed over how they needed to be socially constructed and validated. Social movements draw on cultural stock for images and definitions of what constitutes a problem or an injustice, which in turn point toward particular policy and institutional changes. Similarly, social movements draw upon cultural repertoires for mobilizing, organizing, and protest strategies (Zald, 1996). Both of these observations suggest that future research must examine how organizational and market failures are collectively defined and linked to cultural repertoires. Moreover, future research also needs to consider the conditions under which the framing of failures become contested themselves. Central in these investigations should be the embedding of cultural stocks and repertoires in organizational fields. For it is at the field level that institutional entrepreneurs and individual organizations most acutely draw upon and are influenced by cultural elements. For example, ADR activists drew upon wider images of legal access to the courts (through ‘multiple doors’) and

community clinics to construct their community mediation and multi-door courthouse frames. At the same time, we need to know the conditions under which activists 'jump' organizational fields to borrow repertoires of collective action from different fields. How did HMO activists, for instance, appropriate consumer quality movement rhetoric in their pursuit of new health care delivery forms?

The cultural turn in social movement research also provides a bridge to a second question regarding the outcomes of social movements, especially their failure to produce new forms. The social movement literature has concentrated more scholarship on the emergence of social movements, even though movement failure commonly occurs in the empirical world (Gamson, 1990). Moreover, the same factors that movement theorists point to as crucial for emergence – political opportunities, mobilizing structures, and framing – also play key roles in the demise and failure of movements (Voss, 1996). Structural sources of repression (e.g. policing and regulation) also are important for constraining movements and the production of new forms. Perhaps most difficult for movements to overcome are entrenched cognitive categories, or what Voss (1996: 256) calls, 'cognitive encumbrances'. Such encumbrances often emanate from a movement's early, successful attempts to develop resonant frames that then subsequently make it difficult for the movement to adapt to new cultural circumstances.

Inquiry about movement failure raises questions about the types of new forms produced by social movements. Based on our earlier analyses and descriptions, we argue that conflict movements that occur between fields or within hierarchical fields will likely produce forms that are posed against and sharply distinguished from existing forms. For example, ADR rhetoric often contrasts dispute resolution technologies (e.g. mediation, facilitation, negotiation) with those of conventional courtrooms in which various types of adjudication prevail. An even more extreme example occurs in the medical field where HMO proponents early on drew sharp distinctions between themselves and conventional health care decision making, delivery, and organization among medical professionals. By contrast, consensus movements in fragmented fields will likely produce forms that permeate an entire field and graft on to existing forms, thus moderately altering their core characteristics. The quality management movement provides an example of such an outcome. Quality management has pervasively altered the American corporate form along the dimensions of managerial technology and authority, but has not radically altered the basic contours of the corporation itself.

A third area of inquiry that our perspective invites is at the micro-level of analysis. Organizational sociology over the past two decades has largely

deserted analyses of the internal workings of organizations, leaving such investigations to organizational psychologists, organizational behavior specialists, and assorted other disciplines. The action for organizational sociologists is on the macro side of things, in and between organizational fields, or at least at the level of interorganizational relations. With some exceptions (e.g. Katzenstein, 1998; Kurzman, 1998), current work that links social movements, organizational change, and institutional analysis also emphasizes macro investigations and ignores the emergence and impact of social movements and new forms as they are experienced on the front lines of organizations. We believe this to be a shortcoming that can be addressed in a number of ways. One strategy would be comparative case studies on the impact of social movements and new forms in particular organizations. Such studies could capture individual- and group-level adaptations and resistances to such processes. Another strategy would involve studies that link social movement repertoires within organizations to repertoires and other cultural resources in organizational fields. Yet another strategy would be investigations of the full range of politics – whether collective or not, organized or dispersed – that unfold in organizations. The goal of this strategy would be to link political repertoires in organizations to those that exist in relevant organizational fields and in wider societies. Both of these later strategies could begin to join the macro and micro analysis of the politics of organizational change as a single endeavor with multiple layers and integrated levels of analysis.

In conclusion, approaching the construction of new forms as a political process provides a wide-angle lens on organizational politics and change, and also deepens and extends political sociology and the study of social conflict. Davis & McAdam (2000) show how a social movement and collective action approach could amplify our analysis of organizational change. Our chapter underscores political processes – especially social movements and other types of collective action – as core mechanisms of organizational change, rather than a phenomena relegated either theoretically or empirically to the margins. A broad conception of the politics, social movements and collective action in and surrounding organizations, could very well redirect and reshape the future of organization theory itself.

## ACKNOWLEDGMENTS

Barry Staw and Robert Sutton provided helpful suggestions and encouragement. We thank Galaye Debebe and Julia Welch of the University of Michigan, and students in the Politics of Organizations graduate seminar at the University of Arizona (led by Calvin Morrill and Mayer Zald) for providing feedback on



some of the background ideas used in this chapter. We are grateful to our respective universities for their support. Additionally, Hayagreeva Rao thanks University of Michigan's Business School for their generous support in the form of a visiting professorship.

## REFERENCES

- Abbot, A. (1988). *The Systems of the Professions: An Essay on the Division of Expert Labor*. Chicago: University of Chicago Press.
- Aldrich, H. E. (1999). *Organizations Evolving*. San Francisco: Sage.
- Avruch, K. (1991). Introduction: Culture and Conflict Resolution. In: K. Avruch, P. W. Black & J. A. Scimecca (Eds), *Conflict Resolution: Cross-Cultural Perspectives* (pp. 1–18). NY: Greenwood Press.
- Baum, J. A. C., & Oliver, C. (1992). Institutional Embeddedness and the Dynamics of Organizational Populations, *American Sociological Review*, 57, 540–549.
- Baum, J. A. C., & Powell, W. W. (1995). Cultivating an Institutional Ecology: Comment on Hannan, Carroll, Dundas and Torres, *American Sociological Review*, 50, 529–538.
- Baum, J. A. C. (1996). Organizational Ecology. In: S. Clegg & C. Hardy (Eds), *Handbook of Organization Studies*, New York: Oxford.
- Brint, S., & Karabel, J. (1991). Institutional Origins and Transformations: The Case of American Community Colleges. In: W. W. Powell & P. DiMaggio, *The New Institutionalism in Organizational Analysis* (pp. 337–360). Chicago: University of Chicago Press.
- Carroll & Swaminathan, (1998). Why the Micro-Brewery Movement: The Organizational Dynamics of Resource Partitioning in the American Brewing Industry After Prohibition, University of California at Berkeley.
- Chase, S., & Schlink, F. (1927). *Your Money's Worth*, New York.
- Clemens, E. (1993). Organizational Repertoires and Institutional Change: Women's Groups and the Transformation of American Politics, 1890–1920. *American Journal of Sociology*, 98, 755–798.
- Coase, R. (1960). The Problem of Social Cost, 3, *Journal of Law and Economics*, 1–44.
- Cochrane, R. C. (1966). *Measures for Progress: A History of the National Bureau of Standards*, Washington, DC: Department of Commerce.
- Cole, R. (1999). *Managing Quality Fads: How American Business Learned to Play the Quality Game*, Oxford University Press.
- Coogler, O. J. (1978). *Structured Mediation in Divorce Settlement: A Handbook for Marital Mediators*. Lexington, MA: Lexington Books.
- Danzig, Richard. (1974). Towards the Creation of a Complimentary, Decentralized System of Criminal Justice. *Stanford Law Review*, 26, 1–54.
- Davis, G. F., & McAdam, D. Corporations, Classes, and Social Movements after Managerialism. *Research in Organizational Behavior*, Forthcoming.
- Delacroix, J., & Rao, H. (1994). Externalities and Ecological Theory: Unbundling Density Dependence. In: J. A. C. Baum & J. V. Singh, (Eds), *Evolutionary Dynamics of Organizations*, (pp. 255–268). New York, N.Y.: Oxford University Press.
- DiMaggio, P. J. (1988). Interest and Agency in Institutional Theory. In: L. G. Zucker (Eds), *Institutional Patterns and Organizations: Culture and Environment*, (pp. 3–21). Cambridge, MA: Ballinger.

- DiMaggio, P. J. (1991). Constructing an Organizational Field as a Professional Project. In: W. W. Powell & Paul J. DiMaggio (Eds), *The New Institutionalism in Organizational Analysis*, (pp. 267–292). Chicago: University of Chicago Press.
- DiMaggio, P. J. (1994). Culture and Economy. In: N. J. Smelser & R. Swedberg (Eds), *The Handbook of Economic Sociology*, (pp. 27–57). New York: Russell Sage.
- DiMaggio, P. J., & W. W. Powell (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48, 147–160.
- DiMaggio, P. J., & W. W. Powell (1991). Introduction. In: W. W. Powell. & P. J. DiMaggio (Eds), *The New Institutionalism in Organizational Analysis*, (pp. 1–38). Chicago: University of Chicago Press.
- Fisher, E. A. (1975). Community Courts: An Alternative to Conventional Adjudication. *American University Law Review*, 24, 1253–1291.
- Fligstein, N. (1996a). How to Make a Market: Reflections on the Attempt to Create a Single Market in the European Union. *American Journal of Sociology*, 102, 1–33.
- Fligstein, N. (1996b). Markets as Politics: A Political Cultural Approach to Market Institutions. *American Sociological Review*, 61, 656–673.
- Flink, J. J. (1970) *America Adopts the Automobile, 1895–1910*, Cambridge: MIT Press.
- Friedland, R., & Alford, R. R. (1991). Bringing Society Back In: Symbols, Practices, and Institutional Contradictions. In: W. W. Powell & P. J. DiMaggio. *The New Institutionalism in Organizational Analysis*, (pp. 232–262). Chicago: University of Chicago Press.
- Gamson, W. (1990). *The Strategy of Social Protest*. Belmont, CA: Wadsworth. (First published in 1975 Dorsey Press, Homewood, IL.)
- Hannan, M. T., & Carroll, G. R. (1992). *Dynamics of Organizational Populations*. New York: Oxford University Press.
- Hannan, M. T., & Freeman, J. (1989). *Organizational Ecology*. Cambridge, MA: Belknap Press.
- Harrington, C. B. (1985). *Shadow Justice: The Ideology and Institutionalization of Alternatives to Court*. Westport, CT: Greenwood Press.
- Haveman, H., & Rao, H. (1997). Structuring a Theory of Moral Sentiments: Institutional-Organization Co-Evolution in the Early Thrift Industry. *American Journal of Sociology*, 6., 1606–1651.
- Hirsch, P. M. (1986). From Ambushes to Golden Parachutes: Corporate Takeovers as an Instance of Cultural Framing and Institutional Reintegration. *American Journal of Sociology*, 91, 801–937.
- Hybels, R. C, Ryan, A., & Barley, S. (1994) Alliances, Legitimation and Founding Rates in the U.S. Biotechnology Field, 1971–1989, Academy of Management Conference, Dallas, TX.
- Katzenstein, M. F. (1998). Stepsisters: Feminist Movement Activism in Different Institutional Spaces. In: D. S. Meyer & S. Tarrow (Eds), *The Social Movement Society: Contentious Politics for a New Century*, (pp. 195–216). Totowa, NJ: Rowman and Littlefield.
- Kleinman, S. (1996). *Opposing Ambitions: Gender and Identity in an Alternative Organization*. Chicago: University of Chicago Press.
- Kurzman, C. (1998). Organizational Opportunity and Social Movement Mobilization: A Comparative Analysis of Four Religious Movements. *Mobilization*, 3, 23–49.
- Lieberman, J. K. (1981). *The Litigious Society*. NY: Basic Books.
- Lounsbury, M., Hirsch, P. M., & Ventresca, M. (1999). Social Movement Formalization and the Political Structuring of Discourse and Practice: The Co-Evolution of Recycling and the Solid Waste Management Field. Unpublished Manuscript, School of Industrial and Labor Relations, Cornell University.

- Lowy, M. J. (1973). Modernizing the American Legal System: An Example of the Peaceful Use of Anthropology. *Human Organization*, 32, 205–209.
- Mann, Michael. (1986). *The Sources of Social Power, Volume 1: A History of Power from the Beginning to A. D. 1760*. Cambridge, England: Cambridge University of Press.
- March, J. G., & Olsen, J. (1989). *Rediscovering Institutions*. NY: Free Press.
- Mayer, T., & Mayer, G. (1985). HMO's Origins and Development, *New England Journal of Medicine*, 32 (9), 590–595.
- McAdam, D. (1994). Culture and Social Movements. In: E. Larana, H. Johnston & J. R. Gusfield (Eds), *New Social Movements*, (pp. 36–57).
- McAdam, D. (1995). 'Initiator' and 'Spin-off' Movements: Diffusion Processes in Protest Cycles'. In: Mark Traugott (Ed.), *Repertoires and Cycles of Collective Action*, (pp. 217–239). Durham, NC: Duke University Press.
- McAdam, D., McCarthy, J. D., & Zald, M. N. (1996). Introduction: Opportunities, Mobilizing Structures, and Framing Processes – Toward a Synthetic, Comparative Perspective on Social Movements. In: D. McAdam, J. D. McCarthy & M. N. Zald. *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures and Cultural Framings* (pp. 1–20). Cambridge, England: Cambridge University Press.
- McCarthy, J. D., & Wolfson, M. (1992). Consensus Movements, Conflict Movements and the Cooptation of Civic and State Infrastructures. In: A. D. Morris & C. McClurg Mueller (Eds), *Frontiers in Social Movement Theory*, (pp. 273–298). New Haven, CT: Yale University Press.
- McCarthy, J. D., & Zald, M. N. (1977). Resource Mobilization and Social Movements: A Partial Theory. *American Journal of Sociology*, 82, 1212–1241.
- McEwen, C. A., Mather, L., & Maiman, R. J. (1984). Lawyers, Mediation, and The Management of Divorce Practice. *Law & Society Review*, 28, 149–187.
- Meyer, Meyer, J. W., & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83, 340–363.
- Milgrom, P., & Roberts, J. (1982) Predation, Reputation and Entry Deterrence, *Journal of Economic Theory*, 27, 280–312.
- Milne, A., & Folberg, J. (1988). The Theory and Practice of Divorce Mediation: An Overview. In: J. Folberg & A. Milne (Ed.), *Divorce Mediation: Theory and Practice*, (pp. 3–26). NY: Guilford Press.
- Morrill, C. Forthcoming. Institutional Change and Interstitial Emergence: The Growth of Alternative Dispute Resolution in American Law, 1965–1995. In: W. W. Powell & D. L. Jones, *Bending the Bars of the Iron Cage: Institutional Dynamics and Processes*. Chicago: University of Chicago Press.
- Nelson, R. R., & Winter, S. G. (1982). *An Evolutionary Theory of Economic Change*. Cambridge, MA: Belknap Press.
- Oliver, C. (1992) The Antecedents of Deinstitutionalization. *Organization Studies*, 13, 563–588.
- Olson, M. (1965) *The Logic of Collective Action*. Cambridge, MA: Harvard University Press.
- Powell, W. W. (1991). Expanding the Scope of Institutional Analysis. In: W. W. Powell & P. J. DiMaggio (Ed.), *The New Institutionalism in Organizational Analysis* (pp. 183–203). Chicago: University of Chicago Press.
- Ray, L. (1982a). *Alternative Dispute Resolution: Bane or Boon to Attorneys?* Washington D.C.: American Bar Association.
- Ray, L. (1982b). *Alternative Dispute Resolution: Mediation and the Law: Will Reason Prevail?* Washington D.C.: American Bar Association.
- Romano, R. (1993), Public Pension Fund Activism, *Columbia Law Review*, 93, 795–953.

- Rao, H. (1998). Caveat Emptor: The Construction of Nonprofit Consumer Watchdog Organizations. *American Journal of Sociology*, 103, 912-961.
- Rao, H. (1998). Tests Tell: Reliability Contests and the Legitimation of the Automobile in America. Emory University.
- Rao, H., & Singh, J. (1999). Types of Variation in Organizational Populations: The Speciation of New Organizational Forms. (Forthcoming). In: J. A. C. Baum & B. McKelvey (Eds), *Variations in Organization Science: In Honor of Donald T. Campbell*, (pp. 63-78). Sage Publications.
- Samson, P. (1980) *The Emergence of a Consumer Interest in America*, University of Chicago Ph.D. thesis.
- Sander, F. E. A. (1976). Varieties of Dispute Processing. *Federal Rules Decisions*, 70, 111-134.
- Schmalensee, R. (1983). Product Differentiation Advantages of Pioneering Brands. *American Economic Review*, Vol. 72, 349-365.
- Scott, W. R. (1995). *Institutions and Organizations*. Newbury Park, CA: Sage.
- Snow, D. A., & Benford, R. D. (1992). Master Frames and Cycles of Protest. In: A. D. Morris & C. McClung Mueller (Eds), *Frontiers in Social Movement Theory*, (pp. 133-155). New Haven, CT: Yale University Press.
- Starr, Paul. (1982). *The Social Transformation of American Medicine: The Rise of a Sovereign Profession and the Making of a Vast Industry*. NY: Basic Books.
- Stinchcombe, A. L. (1965). Social Structure and Organizations. In: J. G. March (Ed.), *Handbook of Organizations*, (pp. 142-193). NY: Rand McNally.
- Stinchcombe, A. L. (1997). On the virtues of the old institutionalism. *Annual Review of Sociology*, 23, 1-18.
- Swaminathan, A., & Wade, J. B. (Forthcoming). Social Movement Theory and the Evolution of New Organizational Forms. In: C. B. Schoonhoven & E. Romanelli. *The Entrepreneurship Dynamic in Industrial Evolution*, Stanford, CA: Stanford University Press.
- Tarrow, S. (1989). *Democracy and Disorder: Protest and Politics in Italy, 1965-1975*. Oxford, England: Oxford University Press.
- Thomas, R. P. (1977). *An Analysis of the Patterns of Growth of the Automobile Industry, 1895-1929*, New York: Arno Press.
- Tilly, C. (1978). *From Mobilization to Revolution*. Reading, MA: Addison-Wesley.
- Tomasic, R. (1982). Mediation as an Alternative to Adjudication: Rhetoric and Reality in the Neighborhood Justice Movement. In: R. Tomasic & M. M. Feeley (Eds), *Neighborhood Justice: Assessment of an Emerging Idea*, (pp. 215-248). NY: Longman.
- Useem, B. & Zald, M. (1982). From pressure group to social movement: organizational dilemmas of the effort to promote nuclear power, *Social Problems*, December. 144-156.
- Voss, K. (1996). The Collapse of a Social Movement: The Interplay of Mobilizing Structures, Framing and Political Opportunities in the Knights of Labor. In: D. McAdam, J. D. McCarthy & M. N. Zald (Eds), *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures, and Cultural Framings*, (pp. 227-258). Cambridge, England: Cambridge University Press.
- Weitzman, L. (1985). *The Divorce Revolution: The Unexpected Social and Economic Consequences for Women and Children in America*. NY: Free Press.
- Wholey, D., Christianson, J., & Sanchez, S., (1993). The Effect of Physician and Corporate Interests on the Formation of Health Maintenance Organizations, *American Journal of Sociology*, 99, 164-200.
- Wilensky, H. (1964). The Professionalization of Everyone. *American Journal of Sociology*, 70, 137-158.

- Zald, M. N. (1996). Culture, Ideology, and Strategic Framing. In: Do. McAdam, J. D. McCarthy & M. N. Zald (Eds), *Comparative Perspectives on Social Movements: Political Opportunities, Mobilizing Structures, and Cultural Framings*, (pp. 261–274). Cambridge, England: Cambridge University Press.
- Zald, M, N., & Berger, M. A. (1978). Social Movements in Organizations: Coup d'Etat, Insurgency and Mass Movements. *American Journal of Sociology*, 83, 823–861.
- Zald, M. N., & McCarthy, J. D. (1980). Social Movement Industries: Competition and Conflict Among Movement Organizations. In: L. Kriesberg (Ed.), *Research in Social Movements: Conflicts and Change*, Volume 3, (pp. 1–20). Greenwich, CT: JAI Press Inc.