Memorandum

To: Professor J. Matthew Clarke

From: Cody L. Strange

Date: 11/11/2020

RE:

Introduction:

The Activist Company: Examining a Company’s Pursuit of Societal Change Through Corporate Activism Using Institutional Theoretical Lens 20202, by Eilert Meike and Nappier Cherup Abigail. This article defines the type of corporate activists and lays the framework for the most effective methods of corporate activism.

Thesis of Article:

The Article’s main point is that corporate activists have one of three types of “organizational identity orientation,” individualistic, relational, and collectivistic that affect how likely they are to engage in corporate activism. And the top-down, and bottom-up strategies that they can implement.

Summary of Article:

The Activist Company has two main topics, the first being the types of activist companies that exist. Individualistic, Relational, and Collectivistic Company Identity Orientation. Companies with an Individualistic Identity Orientation see their views as unique from everyone else’s. They are motivated by their own self-interests and therefore are unlikely to engage in activities that might be to risky. Companies with a Relational Identity Orientation view themselves as “relationship partners”. They are more likely to engage in activism that is considered risky if it will directly benefit those connected to the company like employees, consumers, and shareholders. Companies with a Collectivistic Company Identity believe they are part of a larger community and believe in acting in the name of society as a whole. They are willing to engage in Corporate Activism no matter how risky it may be, so long as it is for the greater good. This may come at a personal cost, or at the cost of those directly or indirectly associated with the company.

The second main topic is two methods of corporate activism that there are, Bottom-up and Top-down. Bottom-up is when a company targets the internal stakeholders of the company such as the employees and consumers. The company’s goal using the Bottom-up strategy is to change the attitude of the stakeholders in the company, as they are the ones who are most directly affiliated with the company and therefore the people that the company has the most sway over. This is done through methods such as diversity training, promising to hire “x” amount of “x” race by the end of the year, or promoting other socially acceptable ideas. To quote the article “These bottom-up strategies normalize the issue in the marketplace and thus, over time, can help produce, support, and or accelerate a change in its value system.” Ideally the company is trying to change the values of those that it has sway over through prosocial activities.

The second method of corporate activism is the Top-down strategy. This strategy focuses on “persuading” those who have power to create the change that the company wants. This is usually targeted at the local, or state government. The company will try to pressure the government to create legislation that will legitimize their beliefs. An example of this was when companies boycotted North Carolina for its law that said everyone had to use the restroom of the gender that they were born with. The reason the Top-down method is required is because “controversial issues often violate moral or ethical norms of stakeholder groups and include topics related to politics, religion, equality, or the family.” It is under the belief that the law is what creates the social norms, that the company decides it needs to change the legal environment and not just the social environment.

Opposition:

There is a very wide range of people and groups who would have issues with this article. Anyone who disagrees with the political or social views of the company will disagree with what this article is about. Anyone who doesn’t want a corporate entity deciding what is right and what is wrong for them will have problems here. The main issue is the “means justify the ends” belief that corporate activism entails. In the name of the “greater good” companies don’t have any problems with trying to force people to agree with them on topics that they might find “moral or unethical.” Nearly every single republican will oppose this article and most non-progressive democrats would oppose it as well.

Evaluation:

I believe that the article was a success for what it was written for, I believe that it could have shown more evidence for some claims and it used the word “posit” as a way to make decisions for the reader but beyond that the article was well written. For companies who want to further themselves in corporate activism, they would do well to read this article.

That said I believe this article should be burned and never read by a single corporation who might take its words and put them to use. It is an ethical nightmare of a paper that justifies rioting and looting as a tool for social change. It pushes companies to use their power to force their political views on their employees. If they can’t get everyone to agree with them on their social views, then they should use their power as a company to try and get the state government to legally force everyone to agree with them. It’s the idea that in the name of the greater good anything is justified mentality that makes this so dangerous. And while the article only agrees with using illegal activity to your benefit once it is riddled with unethical behavior.

Conclusion:

In the end The Activist Company was a success in what it was written for. It went over the three types of activist companies there are, and the two methods of corporate activists can use to further their agenda. The ethicacy of the article is highly questionable but that does not stop the article from doing its job. Much more research needs to be done on corporate activism as the article itself states, and it needs to take more opposing views into account when doing so.