

**Building Chains and Directing Flows:  
Strategies and Tactics of Mutual Influence in Stakeholder Conflicts\***

Charlene Zietsma  
Richard Ivey School of Business  
The University of Western Ontario  
1151 Richmond Street North  
London, Ontario  
Canada N6A 3K7  
E-mail: [czietsma@ivey.uwo.ca](mailto:czietsma@ivey.uwo.ca)

Monika I. Winn  
Faculty of Business  
University of Victoria  
P.O. Box 1700  
Victoria, BC  
Canada V8W 2Y2  
E-mail: [miwinn@uvic.ca](mailto:miwinn@uvic.ca)

The final, definitive version of this paper has been published in *Business and Society*, Vol 47/Issue 1, pp. 68-101, March, 2008 by SAGE Publications Ltd./SAGE Publications, Inc, All rights reserved. ©

**SPECIAL ISSUE “THE POLITICS OF STAKEHOLDER INFLUENCE”**

**FEBRUARY 1, 2007**

\*This research was generously funded by the Social Sciences and Humanities Research Council of Canada. The authors thank Frank de Bakker, Frank den Hond, Tom Lawrence, Michael Lounsbury, Pat MacDonald and two anonymous reviewers for very helpful comments on earlier drafts of this paper.

# **Building Chains and Directing Flows: Strategies and Tactics of Mutual Influence in Stakeholder Conflicts**

## **Abstract**

This paper aims to advance theory by deepening our understanding of the processes and specific actions aimed at influencing and shaping business practices through dynamic stakeholder relationships. We conduct an inductive, longitudinal study of all players involved in a regional stakeholder conflict that reached international scope and we present two sets of findings. First, we find evidence for four clusters of influence tactics used by both secondary stakeholders and their target firms: *issue raising*, *issue suppressing*, *positioning* and *solution-seeking*. Second, through our examination of the processes and patterns underlying influence strategies, we discover that stakeholders build elaborate *influence chains* and work to direct *influence flows*. The paper contributes to stakeholder theory in a number of ways. We offer a refined understanding of both bilateral and mutual influence tactics, expanding the theory's focus beyond bilateral relationships. We further uncover the deliberate use of dependence relationships among multiple embedded organizations to build influence over a specific target, and more generally, an organizational field. We discuss our findings in light of work on social movement organizations and institutional theory, thus integrating our empirical findings with insights from three bodies of literature to advance stakeholder theory.

## **Building Chains and Directing Flows: Strategies and Tactics of Mutual Influence in Stakeholder Conflicts**

In recent years, companies like Nike, Shell and others have come under fire and public scrutiny for issues they (and their legal counsel) had deemed to be outside their domain. Alleged sweat shop or labor abuses, environmental scandals, or complicity with oppressive regimes are familiar examples. In many of these cases, it was stakeholder groups traditionally considered as “secondary,” who effectively prompted firms, sometimes entire industries, to undertake major strategic changes. How such groups attain standing with firms and industries, specifically, how they attain and use influence and power over firms and industries, is not well understood. We know little about the specific actions taken by secondary stakeholders or their effects, the interactions among different stakeholders, or the reactions of firms and industries to such actions.

This study addresses two research questions: First, what strategies and tactics are used by secondary stakeholders to gain influence over target firms, and by their targets to protect their autonomy? Second, what are the processes by which both secondary stakeholders and their targets change their influence tactics over time? Integrating concepts from stakeholder, social movement and institutional theories, and drawing on a study of a 24-year conflict over forest-harvesting practices, we identify the tactics secondary stakeholders and their targets use to gain influence over the interpretation and resolution of issues over time. We discover four clusters of mutual influence tactics used by both secondary stakeholders and target firms: *issue raising*, *issue suppressing*, *positioning* and *solution-seeking*. We further identify three dynamic processes of influence: building influence chains, directing influence flows, and shifting influence chains. These processes underlie changes in influence in the context of contested issues, competing

stakeholders, and institutional pressures for conformity to the status quo. Both secondary stakeholders and their targets use a variety of tactics to compete for public attention to the issue, then build *influence chains* by linking issues to other groups that have resource control over important targets in the chain. Influence chains are often multi-linked: for example, a stakeholder can build influence with the public, which it can use to influence sellers of consumer products, who can be asked to influence other firms in their supply chains (the ultimate targets). Stakeholders and firms compete over the direction of *influence flows* along the influence chains. For example, if a stakeholder influenced a target through a chain with two intermediaries, the target can attempt to convince the intermediaries to in turn, pressure the stakeholder, effectively reversing the flow of influence. Furthermore, stakeholders or targets can shift their emphasis between chains based on feedback from prior efforts. For example, if the government has been ineffective as an intermediary, a stakeholder can shift its emphasis to a chain involving unions as an intermediary. While these influence chains can build the desired influence, they also constrain the ability of linked groups to change their behavior or relationships. Issue resolution processes may be initiated by stakeholders, their targets or by intermediaries in influence chains.

The paper is structured as follows. We first elaborate on and integrate stakeholder and institutional theory concepts that apply to influence politics by secondary stakeholders. We then describe our qualitative research methodology and the context of our study. Third, we present our findings of mutual influence tactics, influence chains and influence flows used by secondary stakeholders and their target firms, as well as the interactions among tactics, chains and flows. We discuss our findings and identify key theoretical contributions to stakeholder theory by integrating understandings from social movement and institutional theories.

## **SECONDARY STAKEHOLDERS: THE POLITICS OF GAINING INFLUENCE**

In Freeman's (1984) seminal work, stakeholders were defined as groups who could affect or were affected by a firm. Although recent stakeholder literature advises managers to pay attention to a broadening scope of stakeholders, including secondary and "fringe" stakeholders (Hart & Sharma, 2005), the literature to date has focused mostly on firms paying attention to their primary stakeholders, namely key customers, shareholders and others on whom the firm depends for resources. Mitchell, Agle and Wood (1997) proposed that firms assess a stakeholder group's salience via the combined power and legitimacy of the group, and the urgency of their claim, whereas Frooman (1999) argued for the overriding role of a stakeholder group's power.

*The Influence of Secondary Stakeholders.* Secondary stakeholders often begin with little influence over firms because they lack formal relationships with them (Clarkson, 1995; Eesley & Lenox, 2006), yet sometimes they gain influence. The dynamic conditions under which secondary stakeholders become able to influence firm behavior have not been well addressed by power-based approaches. Nor do these studies sufficiently consider the theoretical or practical implications of the simultaneous influence of stakeholders' issues (Mahon, Heugens & Lamertz, 2004) and their actions, especially in the context of other stakeholders.

*Actions by Secondary Stakeholders.* Limited work has focused on the influence associated with what stakeholders do rather than who stakeholders are (den Hond & de Bakker, 2007). Secondary stakeholders are usually the drivers of issues onto political and corporate agendas (Bigelow, Fahey & Mahon, 1991; 1993; Mahon & Waddock, 1992). They recognize issues earlier and package them to shape the interpretation of others. Frooman (1999) identified indirect influence strategies, in which a stakeholder convinces an ally with whom the target firm has a dependence relationship to perform the influence action. In his example, an environmental group

gained consumer power by asking consumers of tuna to boycott Starkist. Frooman and Murrell (2005) showed that secondary stakeholders have a preference for indirect strategies, because they tend to start out in low power positions. Yet, how do secondary stakeholders gain the attention and support of other stakeholders and convince them to act against the targeted firm? More work is needed to better understand the tactics used by secondary stakeholders, as well as their effects on stakeholder politics, issues and standing (e.g., Covaleski, Dirsmith, Heian & Samuel, 1998; den Hond & de Bakker, 2007).

*Secondary Stakeholders in Context.* Stakeholder theory has generally focused on bilateral stakeholder-firm relationships and unilateral notions of how firms actively “manage” or “engage with” their stakeholders. Frooman’s (1999) work on indirect influence is one exception. Rowley (1997) suggested that stakeholder relationships occur in relational networks of influence, similar to institutional theory’s concept of organizational fields (DiMaggio & Powell, 1991). According to most definitions, organizational field members “interact more frequently and fatefully with one another than with actors outside the field”, and as a result, they share common meaning systems (Scott, 1995: 56) and conventions, with influence taking place in established and accepted ways. Based on its network position, Rowley predicted a firm will respond consistently to institutional pressures coming from other network members guided by the same institutional norms. His work does not address how a target will respond to pressures from secondary stakeholders, who are outside the network and hold contrary, challenging views.

Institutional theory would suggest that pressures from outside the organizational field that conflict with field norms are likely to be rejected, since field members that act in ways that are inconsistent with field norms face legitimacy losses and sanctions by other field members (Scott, 1995). Stakeholders outside the field find it difficult to even gain the attention of field/network

members; partly, because membership implies some level of inter-dependence and power, and partly because field members tend to focus their attention primarily on each other. Professional associations, strategies to restrict membership (Lawrence, 1999), regulations and the relational embeddedness of field members further prevent access to the field by secondary stakeholders; these institutional elements effectively discipline field members to adhere to field logics and practices. We ask: if field members attend predominantly to each other, then how do outsider, secondary stakeholders attain influence?

The barriers are heightened when those targeted by influence attempts are elite firms in the organizational field. Elite firms are particularly motivated to reproduce and defend existing institutional arrangements since such arrangements tend to privilege them (Greenwood & Hinings, 1996), yet they are exactly the targets that activists tend to seek when they are trying to pressure one firm in order to make field level change (Hendry, 2006).

Conflicts between different claims and claimants, even within a field of primary stakeholders, are not atypical. When secondary stakeholders challenge fundamental field practices, however, field members will often try to prevent other members from changing. A firm's basis of legitimacy in a field depends on its conformance with field level norms (Scott, 1995) and thus may not be in line with the interests of secondary stakeholders. In fact, the practices and norms of the field as a whole may be counter to such interests. When institutional arrangements prevent outside interference in field level practices (professional training and associations, standard practices, regulations, norms, etc.), again, the question arises: How do secondary stakeholders get around institutional arrangements to gain influence within a field, and what do targeted firms do to maintain their own influence?

This paper thus aims to answer two research questions: First, what strategies and tactics are used (a) by secondary stakeholders to gain influence over target firms while challenging existing practices, and (b) by targeted firms seeking to protect their autonomy within field norms? Second, what are the processes by which both secondary stakeholders and target firms change their influence tactics over time?

## **METHODS**

We used an inductive analysis of a stakeholder conflict amongst a large number of stakeholders in the British Columbian forest industry over a 24 year period. This fine-grained, longitudinal approach was aimed to detect the processes by which secondary stakeholders and their targets changed their influence tactics over time. The conflict was covered extensively in the media, providing access to diverse data from multiple sources; it was also at the forefront of the minds of those affected and, as a result, field members were able to recall and articulate activities and events in great detail. The nature of our data thus helped enhance the study's validity (Jick, 1979) and provided insights into actors' intentions (Lewin and Volberda, 1999), dynamic processes (Aldrich and Fiol, 1994), and causality (Miles and Huberman, 1994, Pettigrew, 1985), while being sensitive to historical context (Pettigrew, 1985).

### **Research Context**

The contested issue was the forest industry's practice of clearcutting rain forests in British Columbia (BC), Canada. Clearcutting was the industry's dominant logging practice and involved removing all of the trees from large tracts of land. BC depended economically on the forest industry. Stimulated by environmental groups in the early 1980s, a number of stakeholders became active critics of clearcutting, focusing the media and the public on the issue. Forest companies, their employees, governmental agencies and other stakeholders actively countered the

criticism during what became known as the “war of the woods”. MacMillan Bloedel (MB), the largest and oldest forest company in BC, was the primary target of environmentalists’ pressures for 15 years, though other forest companies and the government were also targeted. For years, MB defended clearcutting vehemently. In 1998, however, the company announced that it would phase out clearcutting in favor of selective logging, and called on other firms to follow. The next year, six major forest companies began negotiating with environmentalists to find long term solutions, and in 2003 and 2004, multiple stakeholders reached landmark agreements on using sustainable practices for a new, ecosystem-based approach to forestry management.

### **Data Collection**

We collected data on events, activities and perceptions from the major stakeholder groups actively involved in the conflict during the study period. Primary data include interviews and field research; secondary data include organizational and archival documents and media reports. We conducted 69 interviews: with forest company executives and managers (52), government officials (3), environmentalists (10), and leaders of forest dependent communities (4) at three points in time (1996, 1999-2000, and 2004). Interviews averaged 90 minutes; each was taped and transcribed. We recorded field notes from 45 presentations, meetings and public events. First Nations representatives (Canada’s aboriginal peoples) declined to be interviewed, but we were able to record field notes from seven public presentations by First Nations on the forestry conflict. Secondary data include approximately 5000 newspaper articles published between 1985 and 2004, company and stakeholder documents, websites, texts of speeches and chronologies of articles published between 1991 and 1999.<sup>1</sup>

---

<sup>1</sup> W.T. Stanbury of the University of British Columbia graciously allowed us to use his chronologies for this project.

## **Data Analysis**

We used analytic induction, which explicitly attends to both data and existing theory (Manning, 1982) to analyze our data. To advance theory on the tactics and dynamic processes involved in stakeholder politics, we iterated between data and theory, working to expand and deepen existing theory. Our approach to both data collection and interpretation thus was both comprehensive and intensive, as appropriate for the study of political processes and dynamics (Fox-Wolfgramm, Boal and Hunt, 1998). From the media accounts, we developed event and activity lists, identifying causes and effects. We refined these lists based on data from interviews, speeches and documents, adding activities not reported by the media, and validating our judgments of the causes, effects and interpretations of various actions and events. We systematically tied together events and activities, their underlying causes and effects, and their interpretations by different stakeholders', creating a chronological narrative. We identified stakeholder attempts to influence other actors from event and activity lists, and developed categories to discriminate types of influence tactics. We reviewed emerging tactics multiple times and then fine-tuned our categories into increasingly abstract and distinct categories using an inductive approach.

## **THE WAR OF THE WOODS**

Before offering our findings of influence tactics and processes used by incumbents and stakeholders to influence each other in three distinct phases, we place our study in context. At the beginning of the study period (and throughout most of it), the forest industry was the largest industry in the province of British Columbia (BC), employing nearly 300,000 people and providing jobs for many residents (including those in the small and remote communities that depend on the forest industry for their very existence). The industry was responsible for approximately half of the province's exports and filled government coffers with taxes and fees –

much of the province's infrastructure can be traced to forestry revenues. The provincial government owned 95% of the forest land in BC and granted forest companies long-term licenses to cut timber in specified areas in return for fees paid to the government based on the value of wood cut. The BC government thus was both landlord and regulator to the forest industry, and it had strong incentives to protect the forest economy. As a result, government and industry generally had a close and cooperative relationship.

MacMillan Bloedel (MB) was the largest, oldest<sup>2</sup> and most respected forest company in BC. Also one of the largest firms in Canada, MB was publicly traded, with mostly Canadian shareholders. Although it had international operations, the majority of the firm's timberlands and processing facilities were in BC. Its founder, H.R. MacMillan, had been BC's first Chief Forester and a generous philanthropist who played a significant role in the development of BC:

“If British Columbia was built on wood, nobody stood taller on the cold deck than Harvey Reginald MacMillan, the sickly Ontario farm boy who rose from abject poverty to command one of the world's great timber companies. Visionary, shrewd, tough as nails and larger than life in all his pursuits, H.R. MacMillan's life story is synonymous with the story of B.C.'s growth between 1925 and 1975. He was the most influential business leader during the province's emergence as ‘the company province’ – one dominated by resource giants.”<sup>3</sup>

### **Criticism of the Industry Takes Hold (approx. 1980-1987)**

*Raising Logging Practices as an Issue.* In the early 1980s, individual environmentalists and groups like Greenpeace, the Rainforest Action Network and the Friends of Clayoquot Sound began to call for an end to clearcut logging.<sup>4</sup> Mandated by legislation, this logging practice was used for approximately 97% of the harvesting on the coast of BC. The principal problem for the environmental groups was to get the attention of their targets, MB and the BC government.

---

<sup>2</sup> MB resulted from a merger of three companies, formed in 1911 and 1919 ([www.mbltd.com](http://www.mbltd.com)).

<sup>3</sup> Journalist Stephen Hume, *Vancouver Sun*, December 15, 1999. p.F3.

<sup>4</sup> Following early actions from local environmental groups, international groups became increasingly involved.

The environmentalists began with direct actions: protests at forest company head offices and blockades at logging sites. They also formed alliances with First Nations by linking their environmental protection issue with the First Nations' issue of land claims. The First Nations had outstanding land claims over virtually all of the forest lands in BC, giving them legal standing, and they wanted logging halted until their claims were settled. Lacking power and resources, however, they had been unable to move the issue onto the political agenda. As allies, First Nations and environmentalists blockaded MB's logging roads on Meares and South Moresby Islands, obtaining compelling television coverage. On Meares Island, for example, protesters gathered in boats to prevent MB loggers from landing<sup>5</sup>; in Sulphur Passage, others stood in the path of bulldozers to prevent the construction of a logging road.<sup>6</sup>

As the campaign intensified, more radical environmentalists sabotaged equipment, spiked trees (creating an injury risk for loggers), burned a bridge, and chained themselves to logging equipment and trees. These protests and publicity stunts were quite effective in attracting media attention and in providing a forum for the environmentalists' carefully framed messages, but relatively ineffective in getting the attention of MB, according to one executive we interviewed: "When they tried to blockade, we could go and get an injunction to stop them cold." Many were arrested. Nevertheless, each story in the media raised the issue further in the public eye.

The emotive framing used by environmentalists emphasized the dangers associated with logging and delegitimized the forest industry. "Killer whales, porpoises and sea birds [would] lose the delicate ecosystem that has sustained them for thousands of years if logging is allowed".<sup>7</sup> "We are headed down the road towards massive environmental collapse".<sup>8</sup> Clearcutting was "rape"<sup>9</sup> of

---

<sup>5</sup> Maclean's Magazine, September 17, 1990, p. 53.

<sup>6</sup> Western Report, August 29, 1988, p. 16.

<sup>7</sup> Cernetig, M. & Barrett, T. *Vancouver Sun*, June 24, 1987, p. B1.

<sup>8</sup> *Vancouver Sun*, July 3, 1990, p. D5.

the last remaining intact temperate rainforests and forest companies were “greedy corporate pigs”<sup>10</sup>. The forests needed to be saved “For your children’s children’s children”.<sup>11</sup> The government was “corrupt”, “in bed with the forest companies” and it tried to stop environmentalists by “intimidation”<sup>12</sup>. Environmentalists wrote letters to politicians and the media criticizing forestry practices and attracted celebrity support from the Grateful Dead, Jacques Cousteau, Jimmy Carter, Martin Sheen, and others.<sup>13</sup> Environmentalists also sent direct mail and sold posters, calendars and books. Their passion and willingness to suffer helped to convince the public that they were being truthful, and that MB and the BC government were heavy-handed, collusive,<sup>14</sup> and deliberately misleading<sup>15</sup>. They mobilized the public to act: membership and funding for BC environmental groups, whose main campaigns focused on forestry, rose dramatically in this period (Wilson, 1998). The forest industry later admitted that “they underestimated the effectiveness of the environmental lobby”.<sup>16</sup>

The First Nations and environmentalists also appealed to the courts. Environmentalists offered money, advice, political connections, publicity and moral support to the First Nations to aid in their legal challenge of the BC government and MB. The BC Supreme Court granted the First Nations an injunction against logging on Meares Island in 1985. In 1987, at the urging of environmentalists, and with continually growing public support for their cause, the Canadian government convinced the BC government to create a park in South Moresby.<sup>17</sup> The environmentalists’ alliance with the First Nations thus accomplished two objectives. First, pooling

---

<sup>9</sup> *Vancouver Sun*, July 8, 1992, p. B1.

<sup>10</sup> *Vancouver Sun*, July 14, 1987, p. A2.

<sup>11</sup> Full page advertisement by Earthlife Canada Foundation, *Vancouver Sun*, June 23, 1987, p. A5.

<sup>12</sup> *Maclean’s Magazine*, September 17, 1990, p. 53.

<sup>13</sup> See, e.g., Dunn, J., *Vancouver Sun*, July 7, 1987, p. D12, and *Vancouver Sun*, September 25, 1988, p. B5.

<sup>14</sup> Environmentalists cried foul twice, when a politician, then the government itself, were found to own shares in MB while making land use decisions favoring MB (see, e.g., Mason, G. 1987. *Vancouver Sun*, January 16, p. C6).

<sup>15</sup> Glavin, T. *Vancouver Sun*, December 15, 1988, p. C3.

<sup>16</sup> *Western Report*, August 29, 1988, p. 16.

<sup>17</sup> Dunn, J., *Vancouver Sun*, July 7, 1987, p. D12, and *Vancouver Sun*, September 25, 1988, B5.

the resources of both stakeholder groups enhanced the influence each group had separately. Second, the First Nations' legal standing in the organizational field due to their land claims allowed environmentalists to claim standing as their allies; via the First Nations, environmentalists gained legitimate access to courts and government. MB had to comply with the court's ruling and with the government's move to create a park on its land tenures.

Environmentalists thus successfully raised the issue of BC's logging practices widely and generated attention to the issue by their targets, the forest companies. *Direct action* against their targets produced publicity. Emotive *framing* of the issue raised awareness and influenced interpretations by the public and others, mobilizing others to join the anti-forestry movement. By *allying* with a current field member (First Nations) and linking their issue with an issue dear to the ally (land claims), environmentalists gained legal standing in the organizational field, further raising their own influence. And by *appealing* to the justice of the courts, the emotions and morals of the public, and the government's need to respond to the public, the environmentalists prompted these third parties to act on the issue and against the targets.

*Efforts by Industry Targets to Suppress the Issue.* MacMillan Bloedel and other forest companies initially dismissed the issue, then denounced the environmentalists. An MB manager was quoted as saying: "The fellas that are kicking up a fuss don't know what they're talking about"<sup>18</sup>; others called environmentalists "eco-terrorists", bio-eccentrics", and "fringe radicals", guilty of "bad science" and "bad faith". Forest companies publicly accused protestors of misrepresenting the facts, and remaining ignorant of forest science. "You can't selectively log. It's ridiculous just to think of it."<sup>19</sup>, a forester was quoted as saying. The government similarly engaged in issue suppression: it first ignored the environmentalists, then formed a stakeholder

---

<sup>18</sup> Financial Post, November 1, 1989, p. 25.

<sup>19</sup> Bohn, G. *Vancouver Sun*, December 22, 1988, p. B4.

team it had no intention of listening to, suggesting the gesture was only a symbolic one. The Meares Island Planning Team was formed by the BC government in 1982 to make recommendations for Meares Island. It was comprised of MB, First Nations, environmentalists and others. MB dropped out in 1983, saying its interests were not being served. When a First Nations Chief asked for a meeting with MB's CEO, the CEO said the issue was not MB's responsibility. When the stakeholder team made its recommendations, the government ignored them and approved the logging of Meares Island (Raizada, 1999).

For the most part, the BC government stood with the forest companies against the environmentalists. Environmentalists had no standing in, and little access to, the forestry decision-making process: the government determined which tracts of land were available and approved forest companies' logging plans for those areas. When protesters blocked logging roads, MB obtained court injunctions and had protesters arrested. The government facilitated these arrests, further suppressing environmentalists' voice on the issue. Together, MB and the government fought (and lost) the legal battle for Meares Island to the Supreme Court.

At MB's annual general meeting in 1985, CEO Ray Smith downplayed the environmental movement by portraying it as fragmented and heterogeneous, framing its multiple demands as unrealistically high and beyond economic realities:

"The diversity of single-issue causes virtually ensures there can be no solution. This group is worried about the aesthetic values of the forest. That group is worried about the microorganism substrata in the soil. A third group has its 'because it's old it can't be used' point of view. There's an almost limitless meridian of different single causes, most of which don't agree with each other, so to try to bring this all together and to try to find a middle ground is very difficult, if not impossible... Too many single interest groups are demanding too much from the forest resource. What is wrong and what disturbs me and what has built up unbearable pressure on MB is the relentless hot pursuit of each interest group of a bigger portion of the pie"<sup>20</sup>.

---

<sup>20</sup> President's Address at the Annual General Meeting, as quoted by the Vancouver Sun, March 28, 1985.

After the Meares Island court decision in 1985, and as public support increased via the publicity generated by environmentalists' direct action and emotive framing, the BC government recognized it had to deal with environmentalists, and agreed to create a park in South Moresby. When the government failed to take MB's side there, MB's interpretation of the issue changed from one that could be dismissed to one that had to be actively dealt with. Environmentalists effectively became members of the organizational field, and primary stakeholders, as a result. While MB still saw them as illegitimate, the company could not ignore the power they had mobilized to save South Moresby and Meares Island, and MB changed its tactics.

### **Competition for Influence (approx. 1988-1999)<sup>21</sup>**

From 1988 onward, both environmentalists and MB and the forest industry engaged in competition for influence over others, using framing, movement and coalition formation and indirect action tactics (asking their supporters to act against their targets). The environmentalists and First Nations used the legitimacy they had generated to expand their campaigns and to establish forest practices as an election issue for 1991. They even convinced forest dependent communities and the International Woodworkers Association to form a coalition with them by linking environmental protection with community control of the forests and "more jobs per tree".<sup>22</sup> In response, MB and the forest industry initiated a "Forests are Forever" public relations campaign that framed forestry as sustainable "tree farming".<sup>23</sup> The effort backfired. By 1989, a public opinion poll found that 97% of B.C. residents felt that environmental protection was the number one political issue in the province (Stanbury, 2000), and the business press stated:

---

<sup>21</sup> By 1999, the majority of field members were engaged in solution-seeking; note, however, that some members of the field engaged in solution seeking as early as 1994 (MB, First Nations and Greenpeace), while the majority was engaged in influence competition.

<sup>22</sup> This coalition was shortlived, as forest workers and communities observed forestry job losses (Stanbury, 2000).

<sup>23</sup> See advertisements in the Vancouver Sun on November 2, 9, 16, 23, and 30, 1988, along with television and radio ads, costing over \$1 million, commencing in 1986 (*Vancouver Sun*, Nov. 3, 1988, pp. A1-A2).

“People simply don't believe the forest companies any more. They've read too many newspaper reports indicating that things aren't OK--the charges for leaving too much waste wood in the forest; the layoffs and shutdowns due to a shortage of trees; the reports that soil erosion from clearcut logging may cost as much as \$80 million a year; that replanted Douglas fir stands are of much poorer quality than wood from old-growth forests; or that forest companies are cutting at a faster rate than the forest can sustain.”<sup>24</sup>

Seeing this dangerous trend, MB worked to avoid losing the Carmanah Valley, another dispute area. MB accelerated its logging plans there by 13 years and began to build logging roads before receiving approval. Environmentalists cried foul and MB halted operations for one month. Environmentalists built a research station and witness trails there and accelerated their publicity campaigns. MB sought a court injunction against them, which was denied. MB convinced the industry to join its fight by framing the problem as an industry problem. The industry formed two new groups to aid in the fight against the environmentalists: the Forest Alliance, an association designed to fight environmentalists through public relations, and SHARE BC, a “grass roots movement” of forest workers or members of communities or industries depending on the forest industry, which fought environmentalists on the ground. To mobilize members for the SHARE movement, forest companies linked the environmental protection issue with the loss of forest jobs and severe economic impacts to the province. They also linked clearcutting with worker safety: any other harvesting method was said to put loggers at risk. Concerned about jobs, economic impacts (especially in forest-dependent communities) and worker safety, SHARE BC members erected counter-blockades against environmentalists. Facing conflicting pressures from environmentalists and forest interests, the government announced plans to save half of the Carmanah with the remainder to be logged.

In 1991, the New Democratic Party (NDP) was elected on a platform that focused on environmental issues. Over the next few years, this government created stakeholder consultation

---

<sup>24</sup> Watt, K. *Report on Business Magazine*, 1990, 48-55.

processes, turned forest land into parks, strengthened logging regulations and increased enforcement. MB and the Forest Alliance lobbied the government, stating that forest revenues paid for health care and education in BC. Thousands attended SHARE protests.

Facing some loss of support in BC, environmentalists expanded their movement formation activities, attracting international (especially European) politicians, journalists and activists to BC, who took their message home to international publics. By mobilizing the support of international publics and threatening to orchestrate a boycott, environmentalists gained influence over MB's international customers. These customers, in turn, had significant influence over MB itself, and thus environmentalists had built a chain of influence from international politicians, journalists and activists, to international publics, to MB's international customers, and back to MB. Notably, this influence chain circumvented the government. Facing significant counterpressure from forest companies, unions, forest dependent communities, SHARE and the Forest Alliance, the government initiated tours of Europe to promote the forest industry to its customers, and slowed down its pro-environment actions. In 1993, the government announced that 45% of Clayoquot Sound was to be logged, despite environmentalists' calls for the creation of a United Nations biosphere there.<sup>25</sup> Environmentalists, through the press, declared war:

"The gloves are off," said Colleen McCrory of the Valhalla Society. "The NDP has betrayed the environmental movement of this province and they're going to pay for it...I think the time may have come for an international boycott of MacMillan Bloedel."  
"We will spike trees and we will attack logging equipment and we will defend the natural integrity of Clayoquot Sound." (Paul Watson, Sea Shepherd Society).<sup>26</sup>

They established a camp in Clayoquot Sound, and over 700 protesters were arrested there that summer in the largest incident of civil disobedience in BC history. Publicity campaigns were instituted in Europe and the U.S. and MB's customers were targeted there. Celebrities, US

---

<sup>25</sup> BC Government Press Release, April 13, 1993.

<sup>26</sup> *Vancouver Sun*, April 14, 1993, p. A1.

politicians, rock groups, and international publics joined the movement. Thousands of SHARE BC members erected counter-blockades, and forest workers' unions, the powerful and traditional supporters of the NDP government, pressured the government to preserve forest jobs (indirect action). Paralyzed by competing pressures from its key constituents (environmentalists and labor), the NDP empowered the First Nations to participate in decisions on Clayoquot.

Environmentalists now directly pressured MB's customers in Europe, the US and Japan to stop purchasing wood from Clayoquot Sound and MB. They linked the issue of clearcutting in Clayoquot Sound to the brand names of these companies and their relationships with consumers. When Greenpeace showed Scott Paper UK a parody of one of the firm's own ads set in a clearcut site, the company became the first customer to cancel a contract with MB.<sup>27</sup> Other customers threatened to cancel contracts unless MB changed its practices. While MB tried to respond with public relations campaigns, their customers were facing significant pressures of their own from environmental groups. MB continued to frame environmentalists' claims as erroneous: "It's an outright lie," says Alexander, MB public relations director, responding to Greenpeace literature. "But we run into this bone-headed stuff all the time from them."<sup>28</sup>

In summary, both the environmentalists and MB engaged in a contest for power and legitimacy. Both made active use of issue *framing* to vilify their opponents and build support among other actors, mobilizing social movements, building coalitions and alliances, and encouraging *indirect action* by their supporters. Environmentalists continued to engage in significant *direct action* (protests, publicity stunts) to keep general awareness of the issue high. Beyond the more amorphous social movements formed on both sides, both environmentalists and MB *formed coalitions*: groups of organizations acting independently but for the same issue

---

<sup>27</sup> *Globe & Mail*, March 1, 1994, p. B5.

<sup>28</sup> *Vancouver Sun*, January 31, 1994, A1.

position (pro- or anti-logging), to build their influence in the battle, often by linking others' issues with their own. Environmentalists used significant indirect action against MB, first by convincing the government to act, and then by convincing MB's customers to act against MB.

### **Joint Efforts Toward Resolving Conflict and the Issue (approx. 1994-2006)**

We traced the roots of the move toward resolution back to the time when the key members of the organizational field were still very much in conflict. Although MB had rallied other field members to fight environmentalists, when it came to the customer campaigns, one MB executive indicated: "we were fighting on our own, and that was because no one else was targeted." MB managers felt under-appreciated by other industry members and their identification with the field waned. "I think Clayoquot was the crucible for that... I think we began to deviate from the rest of the industry very much because of Clayoquot", an executive said. "We were much more consumed with the immediate problem in terms of our market access and our regulatory costs and what are we going to do; those were the main drivers."

Motivated by the 700 arrests in Clayoquot and unable to get out of the conflict in any other way, MB joined in secret discussions with environmentalists that were brokered by the First Nations in Clayoquot Sound, beginning in 1994. The three groups met to try to understand each others' positions. These discussions lasted 18 months and went a long way toward changing MB's interpretations of the issue. A senior manager described the shift in an interview:

"I think MB had that kind of breakthrough with some people in the environmental movement, and some people with First Nations on some very specific projects. Then suddenly you really are not in Kansas anymore. And it wasn't that you got kicked out of Kansas – you kind of walked out of there on your own steam. And it's a very different thing than having collapse of the system like in Clayoquot."

During the talks, MB and the First Nations negotiated to establish an eco-sustainable forestry<sup>29</sup> joint venture in Clayoquot Sound, and Greenpeace agreed to help market the products.

While MB and the First Nations were seeking a solution to the issue, however, the rest of the field was not. Greenpeace and other environmental groups restarted their protest campaigns in 1996 (the customer campaigns had been ongoing and had broadened to include other companies). The First Nations rebuked Greenpeace in the press, and Greenpeace responded by severing ties with them. At the same time, the government, the Forest Alliance and forest unions became more militantly anti-environmentalist. Environmentalists were called “enemies of the province”<sup>30</sup>, who used “jackboot tactics”<sup>31</sup>, to which some firms were “knuckling under”<sup>32</sup>. The union sued Greenpeace for lost wages (unsuccessfully), and threatened counter-boycotts of customers who supported environmentalists. When activists chained themselves to a Canadian cargo ship carrying newsprint in California, Jack Munro, Chair of the Forest Alliance, said:

“Every time I hear something like this I have a complete and total feeling of disgust. Greenpeace seems to be saying to hell with everyone, we know best and we don’t respect anyone else’s agreement and we’re going to shut down logging in British Columbia.”<sup>33</sup>

MB, by contrast, announced in June 1998 that the company would completely phase out clearcut logging, using the environmentalist-favored variable retention logging instead, and gave stakeholders a permanent voice in MB’s operations.<sup>34</sup> Environmentalists praised MB’s announcement, while industry members and the Forest Alliance criticized it. MB severed its ties to the Forest Alliance, breaking away from industry practices.

---

<sup>29</sup> Eco-sustainable forestry refers to logging which gives primacy to ecological sustainability concerns. With few precedents to such an approach, the joint venture was seen both as a demonstration project, and an experiment in developing eco-sustainable forestry methods.

<sup>30</sup> BC Premier Glen Clark, quoted in the *Globe and Mail*, April 22, 1997, p. A3.

<sup>31</sup> Jack Munro, Chair of the Forest Alliance, quoted in the *Vancouver Province*, April 6, 1998, A1.

<sup>32</sup> Forests Minister David Zirnelt, quoted in the *Vancouver Sun*, April 3, 1998, p. D1.

<sup>33</sup> *Vancouver Sun*, October 21, 1998, p. B6.

<sup>34</sup> MB press release, June 10, 1998. Variable retention involves taking only some trees in an area, leaving others for habitat and to aid in regeneration. At the same time, MB announced that logging intensity would vary based on the ecological values of the forests, and that stakeholders would monitor the company’s performance.

This bold move brought only temporary respite for MB, however. In October 1998, the environmentalists expanded their campaign to all BC coastal forest companies. In response, MB re-formed its industry ties by encouraging other coastal forest company leaders and to help find a coordinated response to the issue. MB offered its research to the other firms to encourage them to also stop clearcutting. At the same time, a group of influential customers told both the forest companies and environmentalists that they would no longer support either group unless the two began negotiating. The firms together offered to stop logging in 113 valleys seen as important by environmentalists while the two sides negotiated. A coalition of environmentalists agreed to stop their customer campaigns at the same time. The two groups became the “Joint Solutions Initiative”, and engaged in negotiations, research and joint learning from 1999 until 2006, with funding provided by both environmental groups and forest companies. In 2000, a broader set of stakeholders were invited by the government to negotiate arrangements for the entire north and central coast areas of BC, advised by the Joint Solutions Initiative. After much learning and compromise, the stakeholders agreed on the use of eco-system based management<sup>35</sup> in 2003 (central coast) and 2004 (north coast), and the government ratified these agreements in 2006.

Thus we identified a number of influence tactics associated with issue resolution. When both anti-logging and pro-logging coalitions criticized members who acted inconsistently with their coalition’s current position, former allies *severed ties*. Among anti-logging parties, the First Nations had moved into issue resolution with Greenpeace. When Greenpeace returned to its campaigns in full force, First Nations severed their ties with them. Among pro-logging parties, MB sought resolution before others did; when MB faced criticism from its former allies, it severed ties with them. In transitioning from competition to solution-seeking, alliances were broken when

---

<sup>35</sup> Eco-system based management refers to a land use decision system that preserves the most ecologically sensitive tracts of land, then allocates land use based on ecological values and the damage likely inflicted by that use.

former allies differed in their readiness to move on. Once conflict resolution commenced, influence tactics included *negotiating*, *making unilateral offers* (of research, of the cessation of logging in important areas, etc.), *complying* (with the demand to halt clearcutting) and *compromising* (during negotiations). *Research* and *joint sensemaking* served as important precursors to elaborating a successful solution. Finally, the *brokering* of negotiations by First Nations, and the *coercing* of negotiations by customers allowed for a solution to emerge.

## THEORETICAL DEVELOPMENT

Two objectives guided this longitudinal study. First, we aimed to advance stakeholder theory by shedding light on what stakeholders *do* and analyzed the use and effectiveness of influence tactics from the emergence, through the heightening, and to the resolution of conflict and issue. Second, to expand stakeholder theory beyond its focus on bilateral stakeholder relations, we examined the dynamic processes underlying the interactions among embedded organizational field members, their interaction partners, and secondary stakeholders.

We found that stakeholders and their targets used four types of influence tactics: issue raising, issue-suppressing, positioning and solution-seeking tactics (Table 1).

-----  
Insert Table 1 about here  
-----

### Issue Raising and Issue Suppressing

Early on, secondary stakeholders and their targets used influence tactics to compete for whether or not the issue would become salient in the field, and whether or not environmentalists had a legitimate place in any debate about forest practices. The environmentalists' principal problem was to gain attention and support for their issue. They attempted to gain visibility via direct action and evocative framing with the media and the public. Social movement studies have

identified similar efforts. “Social movements are collective challenges to authority in political and cultural domains that endeavor to affect change” (Rao, Monin & Durand, 2003: 796). Groups seeking change can motivate collective action by mobilizing media visibility, public opinion, and participation (Rao and Kumar, 1999). The environmentalists’ issue raising tactics were successful and set the stage for mobilizing public participation in the future.

Most social movement studies focus on attempts to influence the state (Schurman, 2004), and gaining public support is an important first step. By comparison, the link to corporate targets tends to be less direct. In this study, BC forest companies sold many of their products abroad to businesses that did not depend on support from the BC public. Accordingly, the forest companies’ early responses to environmentalists’ influence attempts ranged from mildly to aggressively dismissive, consistent with Oliver’s (1991) predictions: the companies could defy environmentalists because they did not depend on them. Field members, on the other hand, did not want logging practices to change, generating pressure to maintain the status quo.

We can interpret the environmentalists’ issue raising tactics in several ways. First, we could see them as unsuccessful attempts to change forest practices. Second, even though the direct action was aimed at companies, we could interpret these tactics as being designed to affect the BC government as the rule-maker. Since the government required the public’s support, and the public could be persuaded by direct action tactics, the environmentalists’ actions against the companies did impact the BC government even if they did not affect the companies’ practices. In fact, the government felt the need to respond to pressures for Meares Island, albeit symbolically (i.e., with questionable intent to follow through); yet, because of countervailing pressure from the forest companies, their response had no practical value in advancing the movement’s objectives. Third, we could surmise that the direct action and framing tactics of environmentalists were designed to

build a base of support that could later be enacted against the forest companies' customers. Yet since most customers were international, this would not explain actions in BC. Finally, we could argue that the environmentalists' true target was the public: they needed the public to commit to the cause of environmental protection beyond just forestry, both to further the cause and to survive as organizations dependent on public funding. The environmentalists used the same tactics used by many cause-focused organizations, regardless of targets – they did what NGOs do, following the logics of their own field.

Each of these explanations has some merit. Together, they highlight a key failing of much of the work in stakeholder theory. A focus merely on bilateral relationships between a stakeholder and its target misses the mark in two important ways. First, the target of a stakeholder's influence attempts is not always clear. Each action may have multiple targets, or an action may be designed to influence one group that can then influence another, in an indirect *influence chain* that can evolve over time. The idea of influence chains has precedence in the literature. Schurman (2004) described how for the genetically modified food issue, activists put pressure on European retailers to take genetically modified food off the shelves, thereby creating economic problems for firms upstream in the supply chain. Similarly, Frooman (1999) and Winn (1995) described how Starkist, itself pressured by an environmental group, pressured its suppliers, the foreign fishing industry, to change their fishing methods to meet consumer demands. The environmental group used an indirect pathway of influence, while Starkist used a direct pathway (Frooman, 1999). Yet in order for activists to influence both Starkist and European customers of forest companies, they had to have influence over consumers to make their threats credible. We argue that stakeholders can potentially construct *multi-link influence chains* to reach a target; for example, by influencing the BC public (the electorate), environmentalists influenced BC's election, giving them significant

influence over the government they had supported. That government then influenced forest companies through land use decisions, regulation changes, and enforcement.

Second, by focusing on bilateral relationships, stakeholder theory misses the pressures that compete for influence over the target. For example, while the government needed to respond to the environmentalists, it depended even more strongly on the forest companies. Institutional theory's focus on the multiple actors involved in an organizational field provides a richer understanding of the potential pathways and barriers to influence that exist in context. Yet even institutional theory typically gives primacy to influences within the organizational field. What social movement theory provides is an understanding of how those outside a field can mobilize to take advantage of opportunity structures in the field (Schurman, 2004).

In our study, the environmentalists' alliance with First Nations offers an example of early tactics to take advantage of opportunity structures (McAdam, McCarthy & Zald, 1996) beyond bilateral relations. First Nations' outstanding land claims against the government gave them a legitimate place in the organizational field, despite their limited resources and influence. By pooling resources and winning the Meares Island court decision, the environmentalist and First Nations allies were able to strengthen their individual positions in the field and set the stage for future actions. Environmentalists constructed additional influence chains by appealing to third parties, the courts, the public and the Canadian government, to act against their targets. Support from the public and the Canadian government helped the environmentalists influence the BC government. Their tactics worked in conjunction: publicity from direct action provided framing opportunities that made appeals for indirect action via influence chains effective, in turn making the environmentalists more powerful field members, and more valuable allies for First Nations.

These alliance and influence chain tactics are an important means to gain access to an organizational field. We know that field members construct barriers to restrict membership in the field in order to build their own influence (Lawrence, 1999). Environmentalists were able to get around these barriers by allying with field members (albeit peripheral ones). They also permeated field boundaries by convincing powerful societal actors to act on the issue.

Reacting to issue-raising tactics, field members used a range of issue suppressing tactics to neutralize their effects, including attempts to convince observers that the environmentalists were misrepresenting normal and appropriate field practices. They defended their practices with arguments understood to be legitimate within the organizational field. The societal actors becoming involved in the issue, however, did not share the meaning system of field members. Using the field's logic to defend clearcutting thus was neither persuasive nor effective.

We find that issue-raising and issue-suppressing tactics play a critical and dialectical role during the emergence of an issue. Challengers face the dual test of gaining standing in the organizational field and raising support for their issue; incumbent field members, interested in maintaining the status quo, work to prevent them from doing so in a contentious battle over the field's agenda. In this case, neither side was as successful as it hoped in this early stage of the conflict. Although the environmentalists won public, Canadian government and court support, and the preservation of two areas, they had little impact on the practice of forestry. Although the forestry firms and the BC government avoided significant changes, they were ultimately unsuccessful in suppressing the issue: they would face it continuously over the next two decades.

By building an influence chain from the public and the courts to the government, and through the government and the courts to the forest companies, environmentalists thus were successful in raising the issue onto the field's agenda, thereby gaining access to the organizational

field. As a result, forest companies and the BC government learned to plan their strategies with environmentalists in mind. Once the environmentalists' membership in the field was secure, the conflict took on a different character: each side competed for power and legitimacy within the field, and their strategies to promote their respective views of the contentious practice of clearcutting became very similar.

### **Positioning Tactics: Competing for Power and Legitimacy**

In our study, once the issue reached the field's agenda, the distinction between tactics by stakeholders and by targets largely disappears: the principal problem for both is a power and legitimacy contest. Both used the *positioning tactics* of *framing*, *issue-linking*, *movement and coalition formation*, and *indirect action via influence chains* to strengthen their position.

Work in institutional theory and social movement theory has emphasized the importance of constructing legitimating and delegitimizing accounts (see, e.g., Aldrich and Fiol, 1994; Creed, Scully & Austin, 2002; Elsbach, 1994; Suddaby & Greenwood, 2005) and of gaining the support of others (see, e.g., Fligstein, 1997; Lawrence, Hardy and Phillips, 2002; Troast, Hoffman, Riley and Bazerman, 2002). Similarly, studies of social movements emphasize the need to develop collective action frames and mobilize public support and participation (Benford and Snow, 2000; McAdam, et al., 1996). Direct action is a means to raise awareness of an issue and gain support for the collective action frame. In our study, secondary stakeholders continued to use direct action for issue-raising during the positioning stage. By raising the issue among more and more audiences, secondary stakeholders were able to build their influence chains more effectively. Incumbents had given up on trying to suppress the issue, and they had less need to raise the issue, since the supporters they were trying to attract (mostly existing field members) were already aware of it. Incumbent targets needed only to frame the issue to build support. The simplistic framing

necessary to build support can also create problems, however, polarizing groups' positions (McCarthy, Smith and Zald, 1996), and constraining future compromises "with the enemy".

Both sides in the forestry conflict used *issue-linking* to influence a variety of institutional constituents. Issue linking involves tying an issue of importance to one stakeholder to another issue of importance to a second stakeholder, to enable the two stakeholders to act on a common position. In our study, environmentalists linked their environmental protection goals to First Nations' land claims, forest company customers' brands, politicians' electoral support, and less successfully, jobs for forest workers and control over forests for forest-dependent communities. Forest companies linked their pro-logging issues to jobs for forest workers, economic benefits for BC and forest dependent communities, and political support. Issue-linking was key to building support for each movement, yet it also created constraints and problems. For example, when the First Nations began to see joint ventures with forest companies as a practical means of maintaining some control over the land they claimed, the linked issues of First Nations' land claims and environmental protection began to diverge and the issue-link no longer held. The groups severed ties. On the pro-logging side, when the government announced they would link access to timber with job creation, forest companies carefully distanced themselves from job targets.

As some, but not all, members of coalitions begin to seek issue resolution, the actions of those who do could be seen by their allies as illegitimate, prompting sanctioning. Sanctioning is the application of isomorphic pressures (DiMaggio and Powell, 1983), and it may be normative (calling into question the legitimacy of the actor or action) or coercive (using power to pressure the actor to follow institutions) (Scott, 1995). Normative sanctioning is most effective within coalitions, due to their greater degree of shared norms, while the effectiveness of coercive sanctioning depends on the power of the coercing actor. Sanctioning is not always effective,

however, and “deviant” behavior can serve as an indicator of a pending break with a coalition and the restructuring of alliances in the field. In this study, acting contrary to coalition norms prompted normative sanctioning (e.g., the Forest Alliance and other industry members’ criticism of MB) and subsequent tie-severing (e.g., MB left the Forest Alliance, Greenpeace dissolved its alliance with First Nations). Previously successful issue frames and relationships thus can become constraints to action, prompting dissolution. To the degree that such tie-severing breaks up coalitions, it may signal efforts to move toward conflict resolution.

### **Solution-Seeking Tactics**

Once efforts to seek resolution were underway, the principal problem for both secondary stakeholders and targets in this study was to find a way to work with their opponents, whom they neither understood nor trusted. *Solution-seeking tactics* were designed to build trust, consensus and/or understanding across lines of conflict in the field. In later periods, they were used by both incumbent targets and challenging stakeholders, as well as third parties (who had been links in the influence chains). In accordance with the work by McAdam, Tarrow and Tilly (2001), we found ensuing meetings between the adversarial parties to be *brokered* by a third party acting as mediator. This occurred by invitation from the First Nations (in the discussions over Clayoquot Sound) and by coercion from international customers (in the negotiations culminating in the Joint Solutions Initiative). In each case, both sides recognized their dependence on the brokers for moving forward and considered them legitimate. Once engaged, both sides also used solution seeking tactics including *negotiating*, *offering (inducements or concessions)*, *complying* and *compromising* and *joint learning* to further build trust, mutual understanding and consensus.

The private nature of the meetings was critical since incumbents and challengers had vilified their opponents in the positioning stage. To build trust and mutual understanding, they had

to be in a place where they would not be held accountable for their rhetoric. Earlier public stakeholder negotiation processes, coerced by the government, had a poor record of success for solution-seeking. Taking a soft position in negotiations held publicly would surely have led to either sanctions by other coalition members, to a prisoner's dilemma situation where whoever offered to cooperate would be taken advantage of, or both. When negotiations were private, such as those between environmentalists and MB in 1994, and between environmentalists and forest companies in 1999, the parties could use "what if" reasoning to make progress, without being publicly held to their offers. The groups came to understand each others' positions and *joint learning* occurred. To be able to enact the negotiated changes, however, the actors had to sever ties to their previous allies or convince them to change with them.

The more open stakeholder negotiations that began in 2000 were much more successful, for several reasons. Both forest companies and environmentalists were highly motivated to find solutions, since both would lose the customers' support if they didn't.<sup>36</sup> Their leadership in solution-seeking was effective in bringing along the other actors, since, aside from government, they were the most influential actors in the context. The public pro- and anti-logging battles had been halted. Lamertz, Martens and Heugens (2003) have argued that, after long periods of conflict, actors are motivated to adopt redesigned institutions and may appeal to authorities to develop them. In our case, the provincial government was unable to devise an acceptable institution, and thus actors within the field designed their own. Yet there was no question that the parties were tired of the conflict, and they were motivated to use solution seeking tactics to attempt to resolve it.

Over the time of the entire conflict, we thus identified clusters of influence tactics, which we grouped into four broad categories (see Table 1). Issue-raising, issue-suppressing and

---

<sup>36</sup> Note that environmentalists would have faced difficulties in raising funds from large foundations, had they lost their support from customers, and had they failed to negotiate when a legitimate offer to do so was made.

positioning tactics were used to promote the parties' own agendas by shaping what received attention, and by restructuring the relationships and incentives in the field. Solution-seeking tactics, on the other hand, marked a shift away from both confrontational tactics and the public arena (in which the war of the woods had been fought); this effectively softened positions, reduced the need for movement organizations, and reduced conflict within the field.

### **Influence Chains and Influence Flows**

Our second research question targeted the underlying processes by which secondary stakeholders and incumbent targets change their influence tactics over time, and pointed us to influence chains. Actors construct and adapt influence chains (often using issue-linking) to build resource dependence relations to their targets, thus enhancing the effectiveness of their influence strategies. Using feedback from earlier influence attempts, actors work to find the most effective pathways by competing over the direction of influence flows along influence chains, building new influence chains or shifting their emphasis to other influence chains.

Consistent with Frooman (1999) and Schurman (2004), we found that resource dependence relationships (Pfeffer & Salancik, 1978) were critical for understanding influence tactics. During the emergence of the conflict, neither the government, nor the forest companies were dependent on environmentalists, nor did the environmentalists depend on forest companies. Government and forest companies, however, were reciprocally interdependent: the government provided access to forests, forest companies provided revenues, jobs and economic stability. Beyond the resistance to change created by institutionalized norms and values, that reciprocal interdependence created an additional and pragmatic incentive to maintain the status quo. Unable to break through that tight relationship, environmentalists constructed influence chains that built on other dependence relationships: the government depended on voters; the government and forest companies relied on

the courts to uphold their rights and legitimacy; the BC government depended on the Canadian government for funding and support. The environmentalists built on these dependency relations by convincing these actors to influence the government, and through the government, the forest companies. It was the skillful construction of these influence chains that eventually provided the environmentalists with the power and legitimacy needed to enter the organizational field.

Unsuccessful in suppressing the issue, the companies and the government attempted to reverse the direction of the influence flow through the influence chains. The courts were used to apply counter pressure to protesters, and many were arrested. Public relations campaigns were launched, and although they were not effective in turning the public against the environmentalists, they effectively linked environmental protection with the loss of jobs, thus reversing the direction of the influence from forest workers and forest dependent communities. When the government began to act against the forest companies, the companies applied counter pressure by highlighting the government's economic dependence on forestry. The government, caught between two strong sources of pressure and dependency, had difficulty acting effectively in one direction or the other. It reacted by giving some decision making authority to First Nations. With this authority, the First Nations were able to broker negotiations with environmentalists and forest companies: both were seeking to influence the First Nations positively. When, in the mid-1990s, the effectiveness of pressuring the government was dwindling and First Nations were no longer uniformly committed to the environmentalists, environmentalists dramatically shifted their support-building efforts away from the government and First Nations, and towards the forest companies' customers.

Our findings expand on the perspective of relevant actors held by the social movement literature, which tends to focus predominantly on the state as the target of a movement's influence tactics. Our finding is consistent with Schurman's point that political and social changes have

reduced the importance of the state in favor of non-state targets, especially corporations in the commodity or supply chains of the target (2004). In the BC forestry context, while the government may have had the ability to affect forestry practices, it had little political will to compromise the province's economic engine of forestry. Recognizing this, environmentalists constructed an influence chain to the forest companies through their customers, taking advantage of the companies' dependence on their big customers and those customers' dependence on their customers, the end consumers. Forest companies tried to reverse the direction of influence in the chain by asking their customers to support their newly proposed forest practices in 1999. Since these international customers were less dependent on BC forest companies or environmentalists than vice versa, they were able to coerce both parties to negotiate. Stepping outside the chain and acting as a monitor instead, customers effectively shortened the influence chain.

We also expand on the findings by Frooman and Schurman, who highlighted the importance of influencing supply chains to get to targets. We argue that (a) influence chains can be constructed to get to *any* target, and that (b) secondary stakeholders need not concentrate on supply chains only, but instead can focus on *any actor* that has a resource relationship of any kind with the target. We thus broaden stakeholder theory's understanding of stakeholder relationships by showing how secondary stakeholders can build multi-linked chains to reach their targets. While this may take time, it can nevertheless be an effective way to influence a previously closed field, or to affect a target like the forest industry that is valued and protected by the state.

The construction of influence chains creates a reciprocal interdependence relationship with the next actor in the chain. Our findings reprise the results of Selznick's study of the Tennessee Valley Authority (1947): to successfully co-opt an actor, one likely has to reciprocate by incorporating that actor's objectives into one's own goals. We note from our study that, to

construct an effective influence chain by linking issues with another party, actors must be prepared to be constrained by this linked issue, if they wish to maintain the support. To manage (and reduce) this constraint, however, actors may use the option of severing previously nurtured ties, thus reducing constraining dependencies and shifting their efforts to different influence chains.

Antagonistic parties can use multiple interdependence relationships to construct influence chains between them and to contest the direction of influence along the chain. An actor “A”, caught in the middle of two conflicting sources of pressure (actors “B” and “C”), may face severe constraints on acting if it is highly dependent on B and C. If A is less dependent on B and C than B and C are on A, A can exert counter-pressure on both that may be sufficient to broker negotiations and potentially solutions.

In sum, we have identified three dynamics processes of stakeholder influence contests: building influence chains, competing over the direction of influence flows within the chains, and shifting the emphasis and effort to different chains depending on their effectiveness for yielding influence at a given time.

### **IMPLICATIONS FOR RESEARCH AND PRACTICE**

Our case study offers new insights into stakeholder influence processes, influence tactics, and their effectiveness. Our findings have important implications for both theory and practice.

On a practical level, as the roles of civil society and non-governmental interest groups (NGOs) grow more prominent, a deeper understanding of the means by which secondary stakeholders can build influence even in highly institutionalized contexts should be useful for both stakeholders and their targets. A greater appreciation of potential costs and risks prior to the flare-up of a conflict may even enable some actors to short-circuit the conflict phase and move directly

to issue resolution. Developing these practical implications further will be the subject of a separate paper. Here we focus primarily on the theoretical implications of our study.

Our study advances stakeholder theory by elaborating actors' use of various influence tactics, the building of influence chains, the directing of influence flows through these chains, and the shifting of emphasis among influence chains. We show that secondary stakeholders with limited power and legitimacy with a target can establish influence by building influence chains via resource dependence relationships among networked actors. Our study thus offers new concepts, highlights the embedded nature of the stakeholder interactions in evolving influence contests, and contributes a more dynamic understanding to the study of stakeholder influence relationships.

As we have shown, institutional theory and social movement theory have much to offer stakeholder theory. Social movement theory has developed a strong body of literature, which we have barely touched here, on the tactics and processes that social movement organizations use to advance their issues. Since secondary stakeholders, and sometimes their targets, tend to form movement and counter-movement organizations (Hensmans, 2003) to add influence to their issue-positions, the tactics and processes used by social movement organizations have direct application to the stakeholder context. For example, the framing described in the social movement literature (e.g., Benford & Snow, 2000) used by environmental groups and forest companies helped not only to mobilize movement participants for both pro- and anti- forestry movements, but it also helped to form the relationships that formed the influence chains.

In turn, our study offers several contributions to this literature. First, our findings suggest that the framing which involves linking the issues of one group with the salient issues of another group was very effective for establishing relationships, either through encouraging movement formation, or for establishing alliances or coalitions. Framing that does not link to a salient issue

for potential movement participants is unlikely to lead to support, as Kozinets and Handelman, (2004), have identified. Our findings also suggest that while the formation of movements is important, coalitions and alliances also play a key role in facilitating indirect influence through influence chains. When secondary stakeholders build influence chains that include actors with legal standing or who can affect a target's resource dependence relations, the stakeholders can gain influence over the target. When multiple influence chains are constructed, actors can choose among them to identify the chain which will give them maximum power over their opponents with minimum constraint to themselves. By linking actors through influence chains, however, secondary stakeholders leave themselves open to influence themselves, as any party can act to direct the influence flows within the chains. Third, we find that the key target or facilitator of influence does not have to be the state, as most social movement studies describe, or a member of the supply chain (Schurman, 2004; Frooman, 1999), but it can be any actor "X" with significant resource control over the target or an actor "Y", that has resource control over "X", and so on. These contributions show that both the social movement and stakeholder literatures could benefit from further cross-fertilization and integration.

Our findings also highlight the importance of considering stakeholder relationships not as bilateral relations, but rather in more complex and dynamic contexts. Institutional theory's emphasis on the organizational field offers a strong context of embedded stakeholder relations. Even if secondary stakeholders come from outside the organizational field, they must recognize the constraints created by field level institutional arrangements, and the dependency relations embedded in them. Field arrangements create pressures that significantly limit the range of legitimate responses available to firms within the field, and incumbents actively engage in institutional reproduction and maintenance (Lawrence & Suddaby, 2006). To influence their final

targets, secondary stakeholders must disrupt institutional arrangements to gain access to the field for themselves and to open the field to others that have power over field members.

Stakeholder, institutional and social movement theories have generally conceived of issue contests as efforts by stakeholders, institutional entrepreneurs or movements to affect their targets. We broaden the domain by looking at actors' competitive efforts to affect one another as well as others in the context. Our study adds to each of the three literatures by explicitly considering the unfolding of influence contests over time and by attending to the range of processes and tactics by which stakeholders and their targets compete for influence in the context of multiple embedded relationships.

## REFERENCES

- Aldrich, H. E., and Fiol, C.M. 1994. Fools rush in? The institutional context of industry creation. *Academy of Management Review*, 19: 645–670.
- Benford, R. D., and Snow, D. A. 2000. Framing process and social movements: An overview and assessment. *Annual Review of Sociology*, 26: 611-639.
- Bigelow, B. Fahey, L. and Mahon, J.F. 1993. A typology of issue evolution. *Business and Society*, 32 (1), 18-29.
- Bigelow, B. Fahey, L. and Mahon, J.F. 1991. Political strategy and issues evolution: A framework for analysis and action. In K. Paul (Ed.), *Contemporary Issues in Business and Politics*. Lewiston, NY: Edwin Mellen Press, 1-26.
- Buchholz, R.A. 1990. *Essentials of Public Policy for Management* 2<sup>nd</sup> edition. Englewood Cliffs, NJ: Prentice-Hall.
- Clarkson, M.B.E. 1995. A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20 (1) 92-117.
- Covaleski, M. A., Dirsmith, M. W. Heian, J. B. and Samuel, S. 1998. The calculated and the avowed: Techniques of discipline and struggles over identity in Big Six public accounting firms. *Administrative Science Quarterly*, 43: 293-327.
- Creed, W. E. D., Scully, M. A. and Austin, J. R. 2002. Clothes make the person? The tailoring of legitimating accounts and the social construction of identity. *Organization Science*, 13: 475-496.
- den Hond, F., & de Bakker, F. G. A. 2007. Ideologically motivated activism: How activist groups influence corporate social change activities. *Academy of Management Review*, 32(3): (in press).
- DiMaggio, P., and Powell, W.W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48:147–160.
- DiMaggio, P., and Powell, W.W. 1991. Introduction. In W.W. Powell and P.J. DiMaggio (eds.), *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, 1–38.
- Donaldson, T., and Preston, L.E. 1995. The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20, 65-91.
- Eesley, C., & Lenox, M. J. 2006. Firm responses to secondary stakeholder action. *Strategic Management Journal*, 27: 765-781.
- Elsbach, K. D. 1994. Managing organizational legitimacy in the California cattle industry: The construction and effectiveness of verbal accounts. *Administrative Science Quarterly*, 39: 57-88.

- Fineman, S. and Clarke, K. 1996. Green stakeholders: Industry interpretations and response. *The Journal of Management Studies*, 33, 715-730.
- Fligstein, N. 1997. Social skill and institutional theory. *American Behavioral Scientist*, 40: 397-405.
- Fox-Wolfgramm, S. J., Boal, K. B. and Hunt, J. G. 1998. Organizational adaptation to institutional change: A comparative study of first-order change in prospector and defender banks. *Administrative Science Quarterly*, 43: 87-126.
- Freeman, R.E. 1984. *Strategic Management: A Stakeholder Approach*. Basic Books, New York.
- Frooman, J. 1999. Stakeholder influence strategies. *Academy of Management Review*, 24, 191-205.
- Frooman, J. and Murrell, A.J. 2005. Stakeholder influence strategies: The roles of structural and demographic determinants. *Business and Society* 44 (1) 3-31.
- Greenwood, R. & Hinings, C.R. 1996. Understanding radical organizational change: Bringing together the old and the new institutionalism. *Academy of Management Review*, 21, 1022-1054.
- Hart, S.L. and Sharma, S. 2004. Engaging fringe stakeholders for competitive imagination. *Academy of Management Executive*, 18 (1), 7-18.
- Hendry, J.R. 2006. Taking Aim at Business: What factors lead environmental non-governmental organizations to target particular firms? *Business and Society*, 45 (1), 47-86.
- Hensmans, M. 2003. Social movement organizations: A metaphor for strategic actors in organizational fields. *Organization Studies*, 24, 355-381.
- Jick, T.D. 1979. Mixing qualitative and quantitative methods: Triangulation in action. *Administrative Science Quarterly*, 24, 602-661.
- Kingdon, J.W. 1984. *Agendas, Alternatives and Public Policies*, Boston: Little, Brown.
- Kozinets, R.V. & Handelman, J.M. 2004. Adversaries of Consumption: Consumer Movements, Activism, and Ideology. *Journal of Consumer Research*, 31:3, 691-704.
- Lamertz, K., Martens, M.L. and Heugens, P.P.M.A.R. 2003. Issue evolution: A symbolic interactionist perspective. *Corporate Reputation Review*, 6, 82-93.
- Lawrence, T. B. 1999. Institutional strategy. *Journal of Management*, 25, 161-187.
- Lawrence, T.B., Hardy, C. and Phillips, N. 2002. Institutional effects of interorganizational collaboration: The emergence of proto-institutions. *Academy of Management Journal*, 45, 281-290.

- Lawrence, T. B., & Suddaby, R. 2006. Institutions and institutional work. In S. R. Clegg, C. Hardy, T. B. Lawrence, & W. R. Nord (Eds.) *Handbook of organization studies, 2nd Edition*. London: Sage.
- Lewin, A.Y. and Volberda, H.W. 1999. Prolegomena on co-evolution: A framework for research on strategy and new organizational forms. *Organization Science*, 10, 519–534.
- Mahon, J.F., Heugens, P.P.M.A.R. and Lamertz, K.. 2004. Social networks and non-market strategy. *Journal of Public Affairs*, 4 (2), 170-189.
- Mahon, J.F. and Waddock, S.A. 1992. Strategic issues management: An integration of issue life cycle perspectives. *Business and Society*, 31 (1), 19-32.
- Manning, P.K. 1982. Analytic induction. In P.K. Manning and R.B. Smith (eds.), *A Handbook of Social Science Methods*. Cambridge, MA: Ballinger, 273–302.
- McAdam, D., Tarrow, S. and Tilly, C. 2001. *Dynamics of Contention*. Cambridge: Cambridge University Press.
- McAdam, D., McCarthy, J.D. and Zald, M.N. 1996. *Comparative Perspectives on Social Movements: Political opportunities, mobilizing structures and cultural framings*. Cambridge: Cambridge University Press.
- McCarthy, J.D., Smith, J. and Zald, M.N. 1996. Accessing public, media, electoral and government agendas. In D. McAdam, J. D. McCarthy and M. N. Zald (eds.), *Comparative Perspectives on Social Movements*. Cambridge: Cambridge University Press, 291-311.
- Meyer, J.W. & Rowan, B. 1977. Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83, 340-363.
- Miles, M.B. and A.M. Huberman, 1994. *Qualitative Data Analysis: An Expanded Sourcebook, 2<sup>nd</sup> Ed.*, Thousand Oaks, CA: Sage.
- Mitchell, R.K., Agle, B.R. and Wood, D.J. 1997. Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22 (4), 853-886.
- Pettigrew, A.M. 1985. *The Awakening Giant: Continuity and Change in ICI*. Oxford: Basil Blackwell.
- Post, J.E. 1978. *Corporate Behavior and Social Change*. Reston, VA: Reston Publishing.
- Raizada, R. 1998. *Corporate responses to government and environmental group actions designed to protect the environment*. Unpublished doctoral dissertation, University of British Columbia, Vancouver, B.C.

- Rao, H., and Kumar, S. 1999. Institutional sources of boundary-spanning structures: The establishment of investor relations departments in the Fortune 500 industrials. *Organization Science*, 10, 27-42.
- Rao, H., Monin, P. & Durand, R. 2003. Institutional change in toque ville: Nouvelle cuisine as an identity movement in French Gastronomy. *The American Journal of Sociology*, 108 (4), 795-843.
- Rowley, T.J. 1997. Moving beyond dyadic ties: A network theory of stakeholder influences. *Academy of Management Review*, 22 (4): 887-910.
- Scott, W.R. 1995. *Institutions and Organizations*. Thousands Oaks, CA: Sage.
- Schurman, R. A. 2004. Fighting Frankenfoods: Industry Structures and the Efficacy of the Anti-Biotech Movement in Western Europe. *Social Problems*, 51(2) 243-268.
- Stanbury, W.T. 2000. *Environmental Groups and the International Conflict over the Forests of British Columbia, 1990 to 2000*. SFU-UBC Centre for the Study of Government and Business, Vancouver.
- Starik, M.1994. Essay on the Toronto Conference: Reflections on Stakeholder Theory. *Business and Society*, 33 (1), 89-95.
- Suchman, M. 1995. Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20 (3), 571.
- Suddaby, R., and Greenwood, R. 2005. Rhetorical strategies of legitimacy. *Administrative Science Quarterly*, 50, 35-67.
- Tombari, H.A. 1984. *Business and Society*. New York: Dryden Press.
- Troast, J.G., Hoffman, A.J., Riley, H.C. and Bazerman, M.H. 2002. Institutions as barriers and enablers to negotiated agreements: Institutional entrepreneurship and the Plum Creek Habitat Conservation Plan. In A. J. Hoffman and M. J. Ventresca (eds.), *Organizations, Policy and the Natural Environment: Institutional and Strategic Perspectives*. Stanford: Stanford University Press, 235-261.
- Wartick, Steven L. 1992. The relationship between intense media exposure and change in corporate reputation, *Business and Society*, 33-49.
- Wilson, J. (1998). *Talk and Log: Wilderness Politics in British Columbia, 1965-96*. Vancouver: UBC Press.
- Winn, Monika I. 1995. Corporate Leadership and Policies for the Natural Environment: A Multiple Case Study. In: D. Collins and M. Starik (eds.), *Research in Corporate Social Performance and Policy, Sustaining the Natural Environment: Empirical Studies on the Interface Between Nature and Organizations*. Greenwich, CT: JAI Press, 127-161.

**Table 1: Influence Tactics**

	<b>Secondary Stakeholders</b>	<b>Targets</b>	<b>Others</b>
<b>Issue Emergence: Competing for Issue Salience</b>	<b>Issue Raising Tactics</b> <i>Direct action</i> <i>Framing</i> <i>Indirect action</i> <i>Allying</i> <i>Issue linking</i>	<b>Issue Suppressing Tactics</b> <i>Ignoring or dismissing the issue.</i> <i>Vilifying the issue-sponsor.</i> <i>Symbolic responses.</i>	<i>Acting on behalf of secondary stakeholders or their targets (public, courts and Canadian government).</i>
<b>Positioning: Competing for Power and Legitimacy</b>	<b>Positioning Tactics</b> <i>Movement, coalition formation</i> <i>Framing</i> <i>Issue linking</i> <i>Indirect action</i> <i>Direct action for issue-raising</i>	<b>Positioning Tactics</b> <i>Avoidance</i> <i>Movement, coalition formation</i> <i>Framing</i> <i>Issue linking</i> <i>Indirect action</i>	<i>Acting on behalf of secondary stakeholders or their targets (domestic and international publics, Forest Alliance, SHARE BC, others).</i>
Transitions: <i>Coalition Members at Different Stages</i>	<i>Tie-severing</i>	<i>Tie-severing</i>	<i>Sanctioning (by First Nations, Forest Alliance, industry members.</i>
<b>Issue Resolution: Working Together for Solutions</b>	<b>Solution Seeking Tactics</b> <i>Negotiating</i> <i>Offering</i> <i>Compromising</i> <i>Complying</i> <i>Joint learning</i>	<b>Solution Seeking Tactics</b> <i>Negotiating</i> <i>Offering</i> <i>Compromising</i> <i>Complying</i> <i>Joint learning</i>	<i>Brokering negotiations (First Nations).</i> <i>Coercing negotiations (Customers).</i> <i>Participating in negotiations (multiple stakeholders).</i>