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Anticipating, Preventing, and Surviving Secondary Boycotts

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ABSTRACT

Even the best stakeholder-managed firms can suffer when they become the targets of a secondary boycott, as recent headlines attest. A secondary boycott is a group's refusal to engage a target firm with which the group has no direct dispute in an attempt to sway public opinion, draw attention to an issue, or influence the actions of a disputant. This article provides a new perspective and tools for both scholars and managers concerned with this phenomenon. Building on a stakeholder theory foundation, we examine possible actions managers can take to avoid being surprised by a secondary boycott, propose conditions that raise the probability of becoming the target of a secondary boycott, and develop four alternative approaches for managing stakeholder relationships in a world of secondary boycotts, consistent with the underlying stakeholder culture of the firm.

Key Words: Secondary boycotts; boycotts; stakeholder theory; stakeholder influence strategies; gay rights; Target; J. C. Penney; Citizens United

TARGET CORP. UNDER FIRE

Minnesota-based retailer Target Corp. is a $70 billion company recognized for being a good corporate citizen with respectful stakeholder engagement practices. The firm is known by consumers for providing fashion at low prices, works with its suppliers to ensure that the products sold in its stores are produced responsibly, and spends five percent of income to support community grants and programs. The company's efforts are acknowledged by third parties on lists such as "100 Best Corporate Citizens" (Corporate Responsibility Magazine) and "Top 50 Companies for Diversity" (DiversityInc magazine). Ethisphere Institute names Target one of the most ethical companies worldwide.

However, in spite of the effort and resources Target invests in satisfying its stakeholders, the company suffered recently as a result of damaging stakeholder dynamics. Target donated $150,000 to a pro-business group that supported Minnesota governor candidate Tom Emmer. Unfortunately for Target, this ordinary donation turned into a costly problem. Several Minnesota-based civil society organizations (CSOs) (especially gay and lesbian groups) vehemently opposed Emmer's candidacy because of his conservative stance on gay and lesbian rights. Given Target's diversity policies and activities that include benefits for domestic partners and the sponsorship of local gay events such as the Out & Equal Workplace Summit, local gay and lesbian groups were especially confused by the company's support of Emmer. The CSOs responded by mobilizing Target's workers to raise their voice, informed the company's customers about its support of a political candidate who is on the other side of the issue, and encouraged them to boycott Target, with the intent to ultimately hurt Emmer's campaign (Birkey, 2010).

Target was a victim of a secondary boycott. Whereas a (primary) boycott is a group's refusal to engage with a target firm that is acting in ways that are offensive to the group, a secondary boycott is a group's refusal to engage a target firm with which the group has no direct dispute in an attempt to sway public opinion, draw attention to an issue, or influence the actions of a disputant. Instead of pressuring candidate Emmer directly, the CSOs exploited their influence over Target's primary stakeholders to make their voices heard. Target CEO Gregg Steinhafel issued an apology for the company's involvement, stating that although he is pro-business, he did not anticipate that the donation would disappoint Target's team members or customers. Emmer lost the election.

Even more recently, at the beginning of 2012, J. C. Penney faced a secondary boycott by *anti*-gay groups. J. C. Penney had recently hired the comedian Ellen DeGeneres because of her popularity and her image as a person people trust. DeGeneres is also openly lesbian and a strong advocate for gay rights. Anti-gay groups called for a boycott of J.C. Penney until the company ends its relationship with DeGeneres. The outrage about DeGeneres' pro-gay attitude surprised J.C. Penney (Bruni, 2012).

Target and J.C. Penney are generally recognized as role models for their successful stakeholder management. Stakeholder theory states that good stakeholder management can be a source of above-normal performance and competitive advantage (Freeman, 1984). Some companies, however, seem to consider their stakeholders' needs carefully, but still suffer performance problems as a result of secondary boycotts. The objectives of this article are to extend stakeholder theory to increase our understanding of secondary boycotts and to provide managers with insights about how they can protect their firms against them.

Our approach involves expanding stakeholder theory by proposing a supplemental perspective: in addition to the needs and interests of primary stakeholders such as customers, suppliers and employees, firms should consider the societal issues that are of concern to those stakeholders. That is, societal issues have stakeholders, too, and to the extent that a firm's primary stakeholders are also stakeholders to a societal issue, the firm needs to be sensitive to those issues as well. To supplement the standard stakeholder map that puts the firm in the center surrounded by stakeholders, we propose an issue-focused stakeholder map with issues in the center. Many issue-driven groups (especially CSOs) have a surprising amount of influence on firms when they use a secondary boycott strategy to affect change. They can focus on an issue and approach any stakeholder who is directly or indirectly connected to the issue that they are fighting for (or against). An issue-focused stakeholder map helps corporations become aware of societal issues and their connections to them.

Based on this novel perspective, we examine steps managers can take to prevent being surprised by a secondary boycott. This discussion leads to factors that raise the probability a firm will become a target of a secondary boycott. Finally, we discuss alternative approaches for managing stakeholder relationships in a world of secondary boycotts.

WHAT STAKEHOLDER THEORY SAYS

Stakeholder theory originated as a theory of competitive advantage with a moral foundation (Freeman, 1984). A stakeholder is any actor with an interest in the activities and outcomes of an organization and upon whom the organization depends to achieve its own purposes. A general proposition of stakeholder theory is that firms that better serve the needs and interests of their various stakeholders will, in turn, be better served by those stakeholders. This exchange of consideration is reflected in the roles played by strategic and moral stakeholders (Goodpastor, 1991). Strategic stakeholders are those who affect the achievement of a firm's objectives. Hence, it is of strategic importance for the firm to manage those stakeholder relationships to (at least) avoid any negative economic consequences. Moral stakeholders, on the other hand, are those affected by a firm's activities. Whether a firm's activities have a positive or negative affect on another actor, and whether those affects are intended or unintended, the firm has moral responsibility for its actions.

It is unrealistic and impractical, however, to suggest that managers are responsible to all the actors their firm could possibly affect in any way. Consequently, various perspectives have been developed to assist in determining which stakeholders are or should be most salient to managers as they establish strategic priorities and make important decisions. One of the most widely accepted perspectives argues that firms give priority to stakeholders which posses one, two or all of the following characteristics: power (influence on the firm's ability to achieve desired outcomes), legitimacy (socially accepted relationship to the firm), and urgency (time sensitivity of the stakeholder's claim)(Mitchell, Agle, and Wood, 1997).

Another perspective, based on the principle of fairness, suggests that managers should pay particular attention to the needs of stakeholders from whom they have voluntarily received resources (Phillips, 2003). Either of these perspectives leads to the identification of a firm's "primary" stakeholders, and a typical stakeholder map looks something like Figure 1, where primary external stakeholders would include customers, business partners, communities, and suppliers of raw materials, technology, financing and other key resources. These stakeholders might also be considered primary because they are a part of the firm's production core. Employees and owners are also stakeholders, and would be classified inside the firm in Figure 1.

(Insert Figure 1 about here)

Stakeholders possess economic power to the extent that a firm depends on them to supply financial or other resources. However, another source of power is what might be called an influencer stake (Frooman, 1999; Freeman, 1984). Stakeholders that only possess this type of power are considered secondary stakeholders and, although they may not be given the same priority in decisions as primary stakeholders, firms that neglect them do so at their peril. They are not a part of the production core nor do they provide physical resources the firm needs, but they have the ability to affect firm outcomes and they use this power to attempt to influence firm decisions. CSOs fall into this category.

The existence, and importance, of secondary stakeholders is one reason that a pure utilitarian approach to stakeholder management is impractical. Establishing as a primary firm objective the creation of the greatest happiness for the greatest number of people (Bentham, 1776) means that minority groups with small numbers are likely to be neglected and could actually be hurt by the actions of the firm. However, according to stakeholder theory, these minority groups can have a meaningful impact on a firm's ability to achieve its business objectives.

Traditional stakeholder theory, then, provides a foundation for considering societal issues as represented by CSOs. First, from an instrumental perspective, a CSO can hurt the firm's progress towards its objectives. Second, a firm that genuinely considers the well being of its primary stakeholders should be concerned about those things that matter to them. Finally, stakeholder theory suggests that a firm should establish a well-defined set of values and should work to ensure that those values are demonstrated through its decisions and actions (Freeman and Gilbert, 1988; Jones, Felps, and Bigley, 2007).

EVOLUTION OF STAKEHOLDER DEMANDS: TOWARDS SECONDARY BOYCOTTS

Primary stakeholders, in their normal interactions with firms, evaluate their perceptions of the firm based on their expectations for justice and fairness (Bosse, Phillips, and Harrison, 2009). When they perceive they are being treated better than expected, they positively reciprocate towards the firm. On the other hand, when they feel unfairly treated or negatively affected they seek to improve their situation. Examples include employee demands for a safe working place or higher salaries, supplier demands for more favorable contract terms, or demands by local communities to take responsibility for environmental degradation (Human Rights Watch, 1995).

One very powerful tool stakeholders have to influence firms is a boycott, which is an "attempt by one or more parties to achieve certain objectives" by refusing to purchase products or services from a target firm (Friedman, 1985: 97). Friedman (1999) distinguishes four kinds of boycotts. An instrumental boycott aims at changing a specific policy or action of the target firm. A catalytic boycott aims at raising awareness about a company's activity or policy. The boycott, here, is a publicity tool. An expressive boycott aims at generally expressing one's displeasure about the target, though the intended outcome can be rather vague. A punitive boycott aims at punishing the target for its behavior. The ultimate goal is to cause harm to the target irrespective of whether the company would be willing to change or cooperate.

Stakeholder demands towards corporations have evolved considerably from a narrow focus on issues directly related to the stakeholder-firm relationship to a broad focus on issues within the corporate sphere of influence (Schrempf, 2012). Since the mid 1990s, self-declaring stakeholders have started to approach corporations on behalf of corporations' primary stakeholders. CSOs, for example, make large Western corporations responsible for the bad working conditions in their contractors' independent offshore factories – the so-called sweatshop problematic (Petersen, 1992; The National Labor Committee, 1995; Sethi, 2003). The CSO community perceived the corporate search for higher profit margins as a key component for bad working conditions in supplier factories (such as below minimum wages and unsafe working environments). The sweatshop debate of the 1990s (Petersen, 1992; Sluiter, 2009) or the more recent debate about conflict minerals (Steinweg et al., 2007) are examples of this extension.

Even though the term was not widely used to describe it, the sweatshop controversy of the 1990s was a secondary boycott. It was not employees who demanded better contract terms from their employer (the supplier). Instead, international CSOs spoke on behalf of those primary stakeholders and initiated boycotts against the suppliers' customers such as Nike or The Gap to pressure these companies to improve working conditions along their supply chain (Schrempf, 2012; Sluiter, 2009).

The Target example from the introduction shows that stakeholder demands have broadened even further. As in the sweatshop debate, secondary stakeholders approach a company. This time, however, they base their demands towards the corporation on a relatively loose connection between the corporation and the issue. Until gay groups approached Target, the firm had probably never imagined that gay rights might be something that would embroil the firm.

Secondary boycotts of advertisers are also becoming more common. A firm that places an ad on a radio talk show, for example, does so because its strategy involves marketing to the same demographic that listens to that show. The firm does not expect to control the content of such a show, so it can be surprised when the public holds it accountable for positions taken by the talk show host. In early 2012 millions of consumers used online social media to organize a secondary boycott of advertisers on radio host Rush Limbaugh's show because they were offended by his inflammatory treatment of a pro birth-control advocate named Sandra Fluke. Some of the advertisers suffered significant revenue losses even though the boycotters' dispute was not with them, but with Limbaugh. The secondary boycott worked; Limbaugh was forced to apologize for his commentary in order to stem the loss of advertisers from his show.

While these examples of secondary boycotts may appear similar, there are important differences. Contrast the Target and Nike cases: Nike's actions (increased profit margins through outsourcing) contributed to the continuity of sweatshops while Target's campaign contribution did not contribute to candidate Emmer's anti-gay position. Emmer's agenda towards gay and lesbian rights was independent of Target's business activities. This cannot be said for the Nike case. These contrasts illustrate that managers need to be aware of how vulnerable their business can be to secondary boycotts. Even if corporate activities do not directly advance any specific harmful or criticized issue (e.g., sweatshops, child labor), corporations might become subjects of secondary boycotts.

Furthermore, although secondary boycotts may seem unfair, especially to their targets, and although they are certainly capable of causing material damage, the law is unlikely to provide much protection. In fact, a 2010 U.S. Supreme Court ruling is one indication that the law may be moving in the other direction. In their ruling on the case of Citizens United vs. Federal Election Commission, the Supreme Court overturned a previous decision against Citizens United, a conservative non-profit organization (Sachs, 2012). Citizens United was prohibited by a lower court from advertising or paying to show a film that was damaging to Hillary Clinton, a presidential hopeful, within 30 days of the Democratic Primaries. The lower court decision was based on the 2002 Bipartisan Campaign Reform Act (McCain-Feingold Act) that restricted corporations or unions from supporting an "electioneering communication" just prior to primaries or general elections. In overturning the ruling, the Supreme Court argued that this was a violation of the First Amendment regarding free speech. President Obama harshly criticized the ruling, saying it would create "a stampede of special-interest money in our politics (Smith, 2011: A15)."

The Citizens United ruling seems to establish a precedent for allowing CSOs latitude in pressuring political candidates through a variety of means, as in the case of candidate Emmer. The ruling might also be interpreted as moving the legal pendulum in the direction of protecting the rights of groups to speak freely against other entities, such as corporations.

A DIFFERENT PERSPECTIVE: FROM STAKEHOLDER MAPPING TO ISSUE MAPPING

Several years ago, the British utility firm United Utilities became the target of a secondary boycott. One of its managers summarized his experience as follows:

> "As a water utility we are a major landowner. We have been approached by representatives from the anti-hunting league and asked to stop renting out a parcel

> of land for use by sports-hunters. To be honest, we don't particularly have a corporate view on hunting, and do not particularly want to have one. Where does this all end? If there is a church but no mosque on our land, will we eventually have to have a view on God? (Zadek, 2001: 156)."

If asked, Target managers would probably report their Emmer experience in a similar way. What tools are available to managers to help them better understand these sorts of issues? Stakeholder theory traditionally puts the corporation in the center of a stakeholder map (Figure 1). Werhane (1999), however, suggests putting a stakeholder in the center of a stakeholder map. The advantage of this perspective change is that it can help determine the stakeholder's obligations towards the focal corporation (Phillips, 2003). This "moral imagination" helps the corporation in anticipating stakeholders' demands and expectations (Werhane, 1999; Frooman, 1999).

Extending this idea, we propose putting a societal issue in the center of a map, where CSOs serve as representatives of that issue (see Figure 2). Such a map is consistent with the perspective of CSOs. They are founded for a cause (e.g., fight child labor or protect human rights worldwide), and they focus on which actors are directly (primary stakeholder) or indirectly (secondary stakeholder) connected to that cause.

(Insert Figure 2 about here)

An issue-focused stakeholder map is beneficial to the corporation for several reasons. First, this perspective can help corporations to flag societal issues that would fall under the table using a traditional stakeholder map due to the focus on primary stakeholder relationships. Second, an issue-focused stakeholder map provides corporations with a better overview of how far they are actually connected to some of the most pressing societal issues of the time. This connection indicates a corporation's vulnerability to secondary boycotts, but also a corporation's ability to contribute to a solution of societal issues. Third, an issue-focused stakeholder map helps expand the classic stakeholder questions such as "who is our stakeholder" or "how many resources should we dedicate to each stakeholder group" (Harrison & Bosse, forthcoming) to new questions such as "what are the most pressing issues in our society today and how are we connected" or "how can we contribute to solve societal issues". Finally, an issue-focused stakeholder map offers a more balanced (neutral) perspective that all stakeholders (including the focal corporation but also initiators of secondary boycotts) can share. This perspective is useful for corporations to understand the reasoning of initiators of secondary boycotts that might target them.

We suggest managers do four things to derive practical value from this new perspective.

- Step one: Keep a short list of topical issues. While some societal issues are perpetually topical (e.g., various human rights), others make headlines for a comparatively short time (e.g., federally mandated healthcare in the U.S.).
- Step two: Discuss and decide whether the firm wants to take a stand on each of the issues on the short list.
- Step three: Consider how managerial decisions (e.g., funding a politician, outsourcing production, etc.) will likely be perceived by the stakeholders of each topical issue. Target was negatively influenced by an issue (gay rights) that it had already decided to support.
- Step four: Be prepared to react to secondary boycotts quickly to effectively signal the firm's stance – or intended distance – on the issue. The key factor here is

whether the firm has a primary stakeholder that is also a primary stakeholder of the societal issue. Figure 3 depicts the situation in general terms.

(Insert Figure 3 about here)

As discussed in the next section, it is crucial for corporations to know their “enemy”, i.e. to understand how distant stakeholders choose their secondary boycott targets.

KNOW YOUR ENEMY

The secondary boycotts examples discussed thus far provide us with some information about how CSOs or other secondary stakeholder groups select their boycott targets. We present three criteria here that will be useful for managers: corporate power, benefitting from harm/issue, and the corporation’s CSR reputation. Frooman (1999) developed stakeholder influence strategies that are similar to what we develop below, but our emphasis is on the inverse direction of influence.

Corporate Power

An obvious criterion for how a group selects its boycott target might simply be the powerful position of the prospective target company. Power, here, can be interpreted in several ways: First, power might refer to a corporation’s independence from the primary stakeholder it shares with the issue. This enables the targeted company to easily cease any relationship with the stakeholder. Depending on the issue, ending a business relationship with a primary stakeholder might already be enough to improve the situation. For instance, it might be that there are numerous groups that would be happy to rent United Utilities’ land. So, the company might not be dependent on renting its land to the hunting group. Hence, United Utilities is powerful in that it can simply switch its primary stakeholders. This of course, might make it easy for the target company to make the boycott go away. It simply washes its hands clean by cutting any relationship with the “troublemaker” stakeholder.

Second, power can refer to the corporation’s ability to affect change at its primary stakeholder. Here, power can be interpreted as influence that the firm has over its primary stakeholder’s activities. Again, a company’s influence over its primary stakeholder can be high if the company’s primary stakeholder is dependent on the company. In this case, there might be a higher chance that the company can pressure the primary stakeholder to change its behavior or position by threatening it to end their business relationship. Staying with the United Utilities case, if United Utilities is the only opportunity for the hunting group to hunt, then United Utilities has an enormous power and might be the only actor who is able to stop that particular hunting group from hunting. Or, United Utilities might at least be in a position to find a compromise such as hunting only a certain amount of a specific animal.

Finally, power can also be interpreted as a company’s ability to foster joint action. When CSOs started criticizing corporations’ outsourcing practices and the consequences on working conditions, CSOs first targeted the leaders in the different industries to pressure them to improve working conditions, hoping that this induces other companies in the industry to do the same. Once the initial target companies have improved, the activists switch their emphasis to the next tranche of companies they seek to change (Connor, 2002).

This logic can also be found in recent secondary boycott examples. Gay groups probably approached Target because they perceived the company as a powerful corporation and envisioned that if Target stops its support of candidate Emmer, then this might create a snowball effect that other corporations might follow. This, then, could (hypothetically) encourage Emmer (and his party) to put the gay rights debate aside or even change his position.

From this discussion, the following three factors can help managers to evaluate the risk of becoming a secondary boycott target:

1. *If a corporation is not dependent on the primary stakeholder it shares with the issue, the corporation is less likely to become a secondary boycott target.*
2. *If the primary stakeholder a corporation shares with the issue is dependent on the corporation, the corporation is more likely to become a secondary boycott target.*
3. *If a corporation can function as a role model by inspiring other stakeholders to pressure the primary stakeholder to change, then the corporation is more likely to become a secondary boycott target.*

Dirty Hands

While the secondary boycott examples discussed so far show that stakeholder groups target powerful corporations, the United Utilities case illustrates a further criterion that induces stakeholders to launch a boycott. Secondary boycotters may target corporations that benefit from the shared primary stakeholder's position on the issue. United Utilities financially benefitted from renting out land to the hunting group even though land rental is not actually the company's core business. In the eyes of the anti-hunting groups, however, the British company made its hands dirty by accepting dirty money from hunting groups. The Target and J.C. Penney examples are slightly different, as the two companies did not intend to benefit from the anti-gay and pro-gay positions of Emmer and DeGeneres, respectively. Instead, Target probably assumed that it would be strategically beneficial to support the pro-business politician Emmer. J. C. Penney chose

DeGeneres because of her popularity and reputation as a person consumers trust. So, in the eyes of the stakeholder groups that initiated secondary boycotts against those firms, their motivation was different compared to the anti-hunting case.

Corporations, then, should be aware of the potential to face a secondary boycott if they benefit from controversial (according to the point of view of secondary stakeholders) activities or positions of their own primary stakeholders as summarized in the following factor.

4. *If a corporation benefits (financially or non-financially) from the controversial activities of the primary stakeholder it shares with the issue, then the corporation is more likely to become a secondary boycott target.*

CSR Reputation

While being powerful or benefitting from controversial stakeholder relationships are already good indicators for becoming a secondary boycott target, a third indicator is worth considering: a good CSR reputation. Corporations with a positive CSR reputation might perceive themselves as being less likely to become boycott targets, but this represents a sense of false security. As discussed at the beginning of the article, Target has a good CSR reputation. OutFront Minnesota, one of the gay groups that launched the secondary boycott against Target considers the company as a "strong ally" of the Minnesota gay community and "a model of the corporate support for diversity" (OutFront, 2010). Target's strong reputation became the company's undoing as its support for candidate Emmer was inconsistent with the company's diversity reputation. Hence, a good CSR reputation is not a guarantee to be spared from secondary boycott calls. On the contrary, a good CSR reputation might make corporations more vulnerable to boycotts as the smallest inconsistency can be enough to question the corporation's authenticity. A company with a good CSR reputation might also be more responsive to boycotts and public outcry since its reputation and credibility are on the line. So, stakeholder groups might especially choose corporations with a strong CSR reputation for boycott targets as they expect a higher positive response rate. This CSR reputation discussion leads us to a final factor managers should consider when assessing the potential for a secondary boycott:

5. *If a corporation is known as a good corporate citizen, it is more likely to become a secondary boycott target if its primary stakeholder's offense is inconsistent with the corporation's CSR reputation.*

MANAGING SECONDARY BOYCOTTS AS A TARGETTED CORPORATION

The previous section provided information about how a distant stakeholder group might identify its boycott targets. This is helpful for managers to assess their company's risk of becoming a boycott target by secondary stakeholders. Equally relevant for a manager is how to avoid becoming a target of secondary boycotts and how to deal with an actual secondary boycott. We outline four general approaches firms might use in attempting to avoid secondary boycotts or, if faced with one, how they might respond. On one end of the spectrum is the "business as usual" attitude, i.e. do nothing, while at the other end of the spectrum is a collaboration with other stakeholders to find long-term solutions. We elaborate on how each of the approaches is consistent with specific stakeholder cultures (Jones et al. 2007) and on the likely success of each of the approaches.

Egoist: Business As Usual

The first option for corporations is to do nothing special regarding the potential threat of a secondary boycott. With this approach, the corporation continues to rely on a focus on its primary stakeholders in the belief that a proper management of primary stakeholders is enough to create and protect firm value. Any additional investment in examining the constantly changing range of issues that might share a primary stakeholder and the related potential of secondary boycotts is perceived as too time and resource consuming. This attitude corresponds to what Jones et al. (2007) refer to as an egoist stakeholder culture. Such a culture focuses on the company's short-term economic success.

While doing nothing is inexpensive in the short-term, it comes with high risk for a large corporation. This business-as-usual approach might work best for small, less powerful corporations that do not benefit from a controversial relationship with the primary stakeholder it shares with the controversial issue. If a company is small and perceived as being not powerful enough to make any changes, there is a low likelihood that this company becomes a boycott target in the first place, consistent with the first three factors identified in the last section. When corporations have such a small possibility of becoming victims of secondary boycotts, then doing nothing might actually be the most cost-effective approach.

Observer: Regularly Scanning the Environment

The second option for corporations is to regularly scan their environment for the potential of secondary boycotts. These scans can include the creation of issue-focused stakeholder maps (see Figure 2) and ongoing dialogues with primary stakeholders to understand the issues on which they take a clear position. The issue-focused stakeholder map and the stakeholder dialogues will enable corporations to detect potential threats and make adjustments where necessary.

Continuously scanning the broad external environment for threats of secondary boycotts is generally consistent with Jones et al.'s (2007) instrumentalist stakeholder culture. While the corporation might forgo some short-term profits given its investment in scanning the environment and potential secondary boycott threats, this approach can help to avoid future losses by making arrangements to quickly drop or change a stakeholder who is involved in a contentious issue the firm wishes to avoid. Observing and scanning the environment for all potential secondary boycott threats is done out of self-preservation.

A slightly refined implementation of this approach is to narrow consideration only to those issues on which the firm has explicitly decided to take a stand. Vulnerable corporations are advised to follow this approach, as this is consistent with its good CSR reputation (consistent with the fifth factor). Good corporate citizens are expected to behave well. Observing the environment and thereby identifying specific risks is consistent with is generally consistent with a stakeholder culture of enlightened self-interest (Jones et al., 2007).

The Neutral Party: Middle of The Road

A third approach is to attempt to position the firm on both sides of a contentious societal issue by spreading the firm's efforts evenly (i.e. assembling stakeholders in one's network who represent both sides of the issue). We call this approach "middle of the road." By supporting both sides, the company might try to offset any negative attitudes by referring to its good deeds. So, if a company is confronted with a secondary boycott, it could simply jump into action by pointing out its support of the other side, too. United Utilities, for instance, could rent out land to hunting clubs, but financially support anti-hunting groups.

While this approach appears to create harmony and avoid bad publicity from secondary boycotts, it has severe disadvantages. First, it is a costly approach, as the company needs to allocate resources to satisfying a variety of stakeholders with very diverse positions. Second, it is dangerous because the company is not being consistent in its own behavior and values. A middle of the road approach might actually do more harm than good, leading to a loss in credibility. When a company is confronted with a secondary boycott it has to realize that there might not be a middle way or a compromise. There is no "we are a bit for and a bit against gay rights." J.C. Penney did not fall into the trap of looking for a compromise when anti-gay groups announced their secondary boycott against the corporation (Bruni, 2012). The company kept DeGeneres as its spokesperson and stressed its positive attitude towards same sex couples by including gay couples in its print ads (Bruni, 2012).

Target did not adopt a middle position either. Target is very pro-diversity and has a history that reflects an excellent relationship with the gay community. The donation to the pro-business group supporting candidate Emmer was seen as inconsistent with Target's values. Target's CEO used his apology not as an opportunity to try to take a middle position, but to reaffirm the company's stance on the importance of diversity.

Given this reasoning, a position in the middle is probably not an advisable long-term approach, as the company might not be perceived as authentic or consistent, thereby losing credibility. As in private life, corporations might be better off admitting a misjudgment and engaging in corrective action rather than attempting to support both sides of an issue.

Collaborator: Be Part of The Solution

The opposite extreme from the do-nothing approach (egoist) is to actively collaborate with others to find solutions to topical issues. The idea behind this approach is to engage in productive dialogue with the potential initiators of secondary boycotts to understand the problem and get ideas for potential solutions. A solution might involve collaboration among several stakeholders, including the boycotted one and the prospective initiator of a boycott.

Corporations with a moralist stakeholder culture are most likely to follow this approach (Jones et al., 2007). A moralist stakeholder culture is characterized by a "concern for all stakeholders and adherence to principles regardless of economic temptations to discard them" (Jones et al., 2007, 149). In contrast to the observer who is driven by enlightened self-interest, the collaborator is motivated by doing good and finding a solution that is beneficial to all stakeholders.

Being a collaborator and participating in the solution is most advisable and most likely to be successful if the corporation enjoys power within its stakeholder network. It does not matter whether this power originates from the corporation's independence of its primary stakeholders, its primary stakeholders' dependence on the corporation, or its leverage over other stakeholders. Being in a powerful position raises the demands and expectations of secondary stakeholders. So, powerful corporations that are confronted with secondary boycotts might face even more criticism if they do nothing as they are perceived as being an entity that can affect change.

These four approaches are not mutually exclusive. Although the egoist approach (business as usual) is a stand-alone strategy, the other three approaches could be applied in parallel. A corporation could, for instance, regularly scan its environment (observer). If it gets involved in a secondary boycott, the company might decide to actively participate in finding a solution with the involved parties (collaborator). In a similar vein, a corporation can regularly scan its environment and, in addition, spread its stakeholder management practices to please every stakeholder (neutral player). If the corporation then becomes a target of a secondary boycott, it might decide to collaborate with the parties involved. As previously mentioned, the corporation might have to give up this middle of the road approach at one point because it might cause more harm than good.

IMPLICATIONS FOR MANAGERS AND BUSINESS SCHOLARS

Next to the practical implications for managers, this article offers an extension of stakeholder theory. We contribute to the existing stakeholder literature by proposing an issue-focused stakeholder map. Also, this article examines a phenomenon that has become business reality. Corporations are increasingly considered as being part of issue-focused stakeholder maps, thereby bearing a responsibility to act. While this article extends stakeholder theory to incorporate secondary boycotts, we abstain from any normative discussion about their legitimacy or morality, leaving these topics instead to future discussion. Also interesting would be research on the efficacy of secondary boycotts. Which factors determine whether secondary stakeholders are successful in triggering the focal corporation to act according to their demands?

This article discusses the phenomenon of secondary boycotts and provides useful lessons for managers and scholars. For managers, we elaborate on their vulnerability of becoming a target of a secondary boycott. We provide managers with some guidance on how to answer questions such as “how are we connected to the most pressing issues in our society today?” or “how can we contribute to solve societal issues?” We elaborate on the likelihood of corporations becoming targets of secondary boycotts and illustrate how secondary stakeholder groups might choose their targets. Also, we provide some guidance on how corporations can avoid becoming targets of secondary boycotts or how they might react if they are boycotted.

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Figure 1: Traditional Stakeholder Map

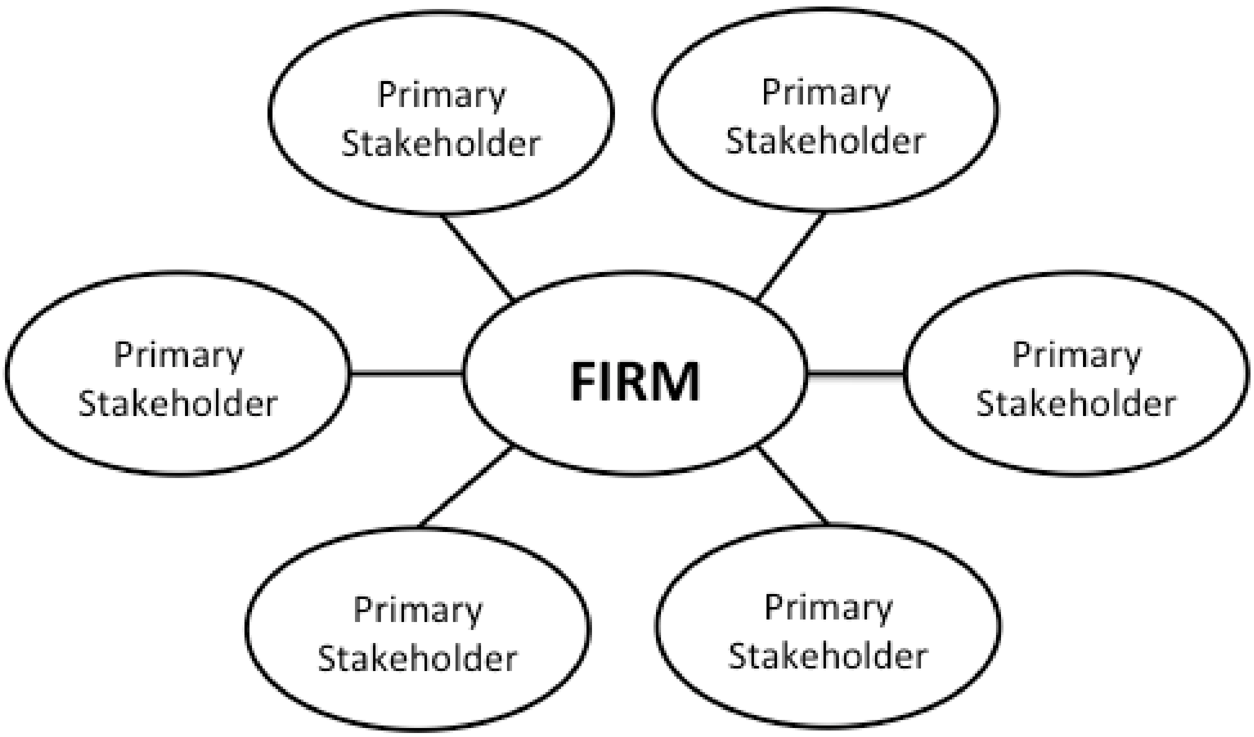

Figure 2: Issue-focused Stakeholder Map

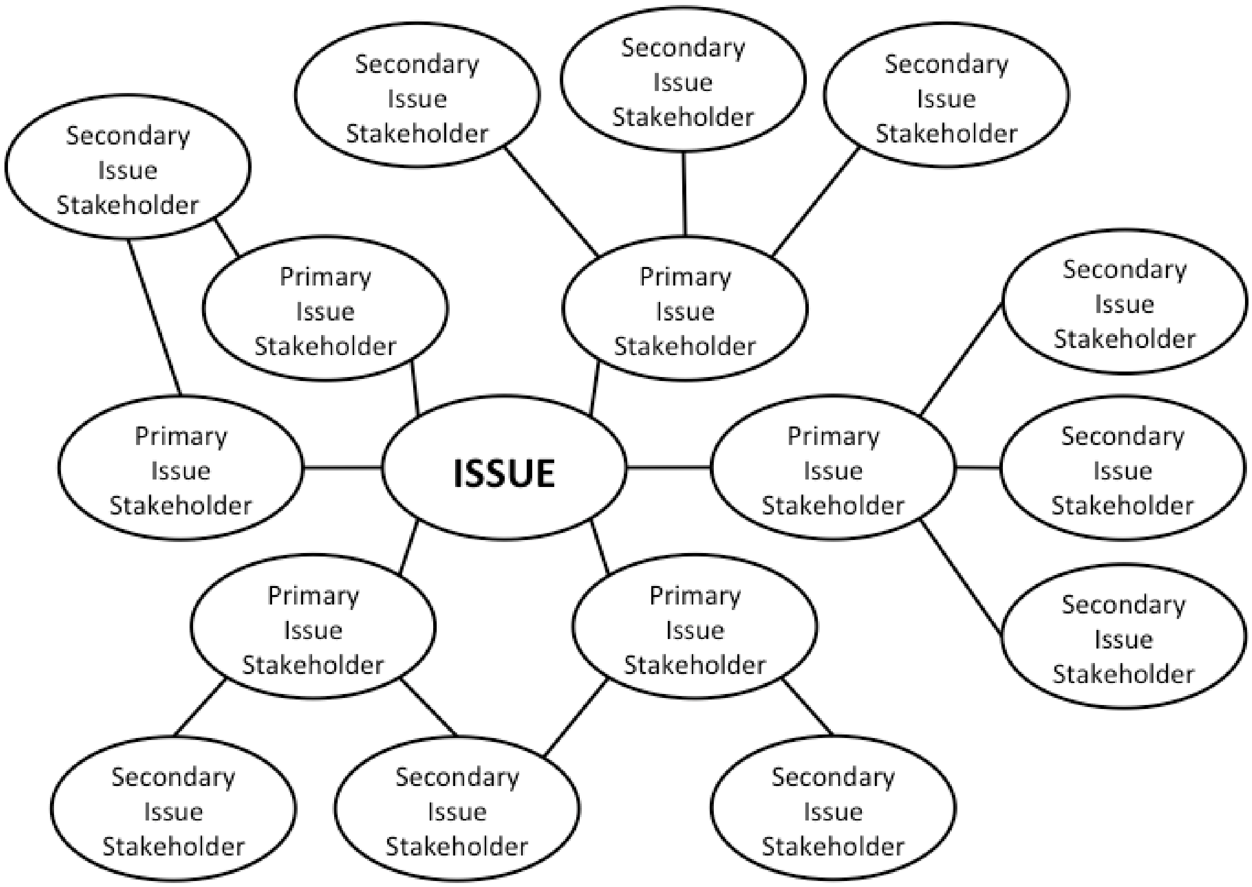

Figure 3: Secondary Boycott