



Review: [Untitled]

Reviewed Work(s):

Industry as a Player in the Political and Social Arena: Defining the Competitive Environment
by John F. Mahon; Richard A. McGowan

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tant in their own right. With regard to the problem of ecological commitment, many environmental practices adopted by large industrial corporations in recent years have contributed to social welfare while at the same time increasing profits, making efforts to distinguish between those often counterposed motives particularly complex. For better or worse, these difficult interpretive issues are bracketed.

Overall, *From Heresy to Dogma* contributes strongly to our knowledge about the institutional changes surrounding environmental issues and sheds useful light on the potential mechanisms by which broader-scale social forces get translated into organizational level changes. In addition, Hoffman's use of multiple methods and piecing together of various bits of data to construct a complex, multilevel account of institutional change provides an exemplar for students of organizations.

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Industry as a Player in the Political and Social Arena: Defining the Competitive Environment.

John F. Mahon and Richard A. McGowan. Westport, CT: Quorum, 1996. 216 pp. \$59.95.

The main point of this book, that firms pursue political strategies that are every bit as important as their competitive strategies, is taken for granted in most of the world. But in America, state officials claim that government does not intervene in the economy; scholars deny that public policy shapes American markets; and managers refute the idea that their success depends on favorable regulatory frameworks. Believing that American firms operate in a sort of economic "state of nature," managers and scholars downplay the importance of corporate political activity. Why should corporations spend their energies influencing public policy if policy matters so little to the bottom line?

Mahon and McGowan begin by suggesting that public policy sets the parameters of the competitive environment. Corporations know this full well, they argue, and since colonial times business people have routinely developed political strategies for achieving advantageous competitive conditions. In studies of the cigarette, beer, banking, and chemicals industries, Mahon and McGowan show that industries pursue distinct political strategies to increase their profits. Following prohibition, brewers distinguished themselves from wine and spirit producers, defining their product as harmless so as to convince politicians to minimize excise taxes. Early in this century, cigarette makers argued that economies of scale made their industry naturally monopolistic, with the hope of escaping antitrust prosecution.

Mahon and McGowan use Michael Porter's five-forces model as a theoretical blueprint, with the explicit goal of de-

veloping a theory that will be easy to grasp and familiar to consulting clients. They quite rightly point out that the classic writers in strategic management, from Chandler to Porter, neglect corporate political strategy. To remedy this, they substitute political factors for the competitive factors found in Porter's model, which are industry rivalry, suppliers, substitute products, new entrants, and customers. In their model of the political environment, industry political rivalry takes the place of economic rivalry. Issues and events take the place of suppliers, in that they supply political opportunities and controversies. Substitute issues and events take the place of Porter's substitute products. Stakeholders, ranging from political activists to bureaucrats, take the place of new entrants. The audience—Congress, the courts, the public at large—takes the place of consumers.

Mahon and McGowan illustrate this model through four industry case studies. Issues and events, such as the anti-smoking movement and antitrust suits, lead industries to develop strategic responses. They may do this by seeking to develop "substitute" issues. Thus, the chemicals industry responded to the early Superfund debate by defining toxic waste as a problem for industrial society at large, rather than as a problem for the chemicals industry in particular. The authors draw on the early work of Bachrach and Baratz to theorize this process, by which participants seek to redefine the issues and agenda at the center of a political debate. Stakeholders of various sorts, from Mothers Against Drunk Driving (MADD) to the Justice Department, pursue their own political goals by seeking to influence the agenda and define the terms of the debate. Thus MADD and the insurance industry sought to curtail alcohol abuse by defining drunk driving as a political problem and offering policy solutions. Industry representatives and competing stakeholders, such as MADD, shape policy by influencing policymakers, both directly and through their constituents.

Mahon and McGowan's model is oriented to explaining two types of outcomes: the political strategies corporations and industries pursue and the policy outcomes that result from these strategies. In three of the industry chapters, covering cigarettes, beer, and banking, the authors recount the history of each major political struggle since the industry's inception. In the case of chemicals, they focus on toxic waste and the Superfund controversy. In effect, the authors present eleven different cases from four industries, ten of which they cover in a scant seventy pages. While the stories are appealing and interesting, many whetted my appetite for more evidence.

Industry as a Player in the Political and Social Arena points to a gaping hole in scholarly work on corporate strategy. Strategy is often oriented to gaining political outcomes that advantage firms and industries, but this realm is almost entirely neglected by scholars. The book makes clear that corporate managers themselves understand how important it is to have public policies that will work to their advantage. Mahon and McGowan's arguments are most compelling when they deal not with exceptional public policies external to the market, as in the cases of excise taxes or the Superfund, but when they deal with the core policies that shape the market,

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such as antitrust. In such cases we see that corporate political action is the norm, not the exception. Mahon and McGowan's theory is very much aimed at consultants and their clients, with the consequence that their relational framework is better at identifying key actors and issues than at identifying general causal processes. Their empirical evidence is likewise aimed at consultants and their clients, with the consequence that the book is better at suggesting how the framework might be used than at providing proof of the arguments outlined.

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Kitchens: The Culture of Restaurant Work.

Gary Alan Fine. Berkeley: University of California Press, 1996. 315 pp. \$48.00, cloth; \$17.95, paper.

For over five decades now, sociologists have set about studying the nature and dynamics of work and occupations, and yet, despite their efforts, vast expanses of the occupational landscape remain unexplored. Perhaps nowhere is this more evident than in the realm of service work, where a privileged handful of service occupations have been intensely studied at the expense of most others. For example, researchers have penned innumerable accounts of occupations such as prostitutes, police officers and, especially, health care workers, but relatively few of people who repair appliances, climb telephone poles, operate day care centers, or dispense subway tokens. Given that approximately three out of every four American workers are now employed in the service sector (Johnston, 1993), and that the vast majority neither turn tricks, make arrests, nor tend patients, this seems a considerable oversight—one that clearly hobbles future efforts at developing a more rigorous and comprehensive understanding of work and its effect on our lives. Fortunately, this scholarly void has now grown a bit smaller, for *Kitchens* ventures into an occupational domain that has been seldom explored: the world of professional cooks. As its name implies, this book, which is based on ethnographic studies of four restaurants, offers a comprehensive account of how restaurants and the people within them “really work.” More specifically, it examines the organizational and institutional environments in which cooks work and how the dynamics of both shape the cook's behavior in the workplace.

As in his previous works, Gary Alan Fine subscribes to the notion of social reality as negotiated order, a theoretical perspective that conceptualizes social reality as a product of a continual process of negotiation. Actors may demonstrate considerable flexibility and inventiveness in the understandings they construct, but they are nevertheless constrained by broader economic, cultural, and political forces. It is the interplay of micro-level behavior and macro-level forces, of agency and structure that fascinates scholars who espouse