COMMUNITY ISOMORPHISM AND CORPORATE SOCIAL ACTION•

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ABSTRACT

We present a model of how institutional pressures at the community level shape corporate social action within the metropolitan area in which firms are headquartered. We define corporate social action as behaviors and practices that extend beyond immediate profit maximization goals and are intended to increase social benefits or mitigate social problems for constituencies external to the firm. We conceptualize corporate social action in terms of its *nature*, including the focus or target of corporate efforts (e.g., arts, education or health services) and the form that it takes (e.g., cash, in-kind donations, volunteerism), and *level* (or amount) of corporate social action. We propose that community isomorphism, that is, the resemblance of a corporation's social practices to those of other corporations within its community, influences the nature and level of corporate social action and patterns of corporate social action within communities. We conclude by considering the theoretical implications of emphasizing community as the focal unit of analysis for understanding corporate social action.

**COMMUNITY ISOMORPHISM AND
CORPORATE SOCIAL ACTION**

Why do corporations engage in social action? The reason perhaps most often cited is that corporate social performance is good for financial performance, the rationale being that social spending is “akin to advertising” (Burt, 1983: 419; Webb & Farmer, 1996). This rationale reflects the belief that a corporation that cultivates a more positive and distinctive reputation will attract consumers (Creyer & Ross, 1997; Ellen, Mohr & Webb, 2000; Sen & Bhattacharya, 2001) and potential employees (Turban & Greening, 1997) and thereby boost profitability. But Margolis and Walsh (2003) concluded from their exhaustive analysis of 127 studies conducted over the last 30 years that the connection between social and financial performance is mixed and often contradictory. For example, Burt (1983), demonstrated a positive relation between firms’ focus on individual consumers and charitable giving, but Galaskiewicz (1997) found no relationship between these two items. The widespread disagreement and conflicting findings in this literature suggest that economic explanations are at a loss to account for either the frequency or nature of corporate social action. Doubts about the financial merits of corporate social action thus lend greater urgency to our opening question: Given the uncertainty of financial benefits, why do firms engage at all in social practices?

The non-economic motives for corporate social action have been explored from a number of perspectives. From a normative perspective, corporate social action has variously been characterized as a well-intended effort to promote “justice in a world in which…the shareholder wealth maximization paradigm reigns” (Margolis & Walsh, 2003: 273) and an attempt to convince “disbelievers” (Weiser & Zadek, 2000) of the value and need for corporate social involvement. Corporate accounts often portray social action as an expression of an individual organization’s distinctive identity, image or mission (Bartel, 2001) or that of its visionary founder or CEO (Martin, Knopoff & Beckman 1998). Corporate social action might also be a response to social movement actors that direct a corporation’s (or industry’s) attention to social needs such as environmentalism, global citizenship, or urban problems (e.g., Bornstein, 2004; Lounsbury, 2001; Rao, 1998). Finally, social practices motivated by for cultural, institutional, and political reasons might serve a corporation’s efforts to secure legitimacy or competitive differentiation (e.g., Bansal & Roth, 2000; Himmelstein, 1997; Hoffman, 1999).

Although it has been influential, this growing stream of research tends to be atomistic, focused on accounting for social action at the level of the individual organization. However much might be said for these explanations, they fall short of explaining broader, and well-documented, patterns of corporate engagement. Galaskiewicz’s numerous and influential studies (1985, 1991, 1997; Galaskiewicz & Burt, 1991; Galaskiewicz & Wasserman, 1989) of the Minneapolis-St. Paul philanthropic community demonstrates the high interdependence between corporations and local non-profits that target social needs. Others (e.g., Besser, 1998; Guthrie, 2003; McElroy & Siegfried, 1986) have illuminated community-based patterns of social action and shown such action to be deeply rooted in the communities in which firms (or their headquarters) are located. But theoretical frameworks for explaining this community-based nature of corporate social action have yet to emerge. Our purpose here is to respond to calls for broader explanations of corporate social practices (Margolis & Walsh, 2003) by theorizing about how communities influence corporate social action.

We view corporate social action through an institutional lens. Institutional theory affords insights into corporate social action that extend beyond the interests of individual firms, through the establishment of community-based patterns. Conceptualizing the local geographic community in which a firm is located as a source of institutional pressures that give rise to and structure the nature and level of corporate social action enables us to account for patterns of corporate giving observed in metropolitan areas such as Minneapolis-St. Paul, Atlanta, Cleveland, and Seattle (e.g., Galaskiewicz, 1985; 1991; 1997; Guthrie, 2003) as well as variations in corporate behaviors across communities (e.g. Abzug & Simonoff, 2004; Bielefeld & Corbin, 1996). We attempt to explain such variation by applying the central tenet of institutional theory – that isomorphism legitimates – to community infrastructures. We theorize that patterns of conformity in corporate social action emerge within local geographic communities. We propose that the nature and level of corporate social action are driven by community isomorphism, which we define as the resemblance of a focal corporation's social practices to those of other corporations within its geographic community. We believe corporations to be especially vulnerable to institutionalized pressures at the community-level because the legitimacy of such practices is often questioned (e.g., Friedman, 1970), and corporations frequently turn to local "peers" to sanction activities whose legitimacy is uncertain (Davis & Greve, 1997).

We develop a conceptual framework for corporate social action that models the influence of the local community. The central idea is that standards of appropriateness regarding the nature and level of corporate social action are embedded within local communities and organizational conformity to these institutionalized practices yields systemic patterns that vary by community. Our model is informed by information from relevant literatures, press accounts, and published research on corporate and non-profit activities such as that of KLD Research & Analytics Inc., a supplier of corporate social ratings, and the Urban Institute's compilation of non-profit reporting data. To get a better sense of what corporate social action entails and how it is influenced by communities, we also conducted informational interviews with approximately 50 individuals in two major metropolitan areas. We begin by defining our major constructs and then present our conceptual model and associated propositions for how institutional aspects of community shape the nature and level of corporate social action. We conclude with thoughts on the implications of our model for theory and research.

CORPORATE SOCIAL ACTION AND LOCAL COMMUNITY

We define *corporate social action* as behaviors and practices that extend beyond immediate profit maximization goals and are intended to increase social benefits or mitigate social problems for constituencies external to the firm. Corporate social action can focus on any number of diverse social needs or issues including, but not limited to, the arts, housing, the physical environment, education and schooling, human welfare, poverty, disease, wellness, and general improvement in the quality of life. Corporate activities that address such social concerns can take a variety of forms including cash contributions, investments in social initiatives or programs, employee volunteer efforts, and in-kind donations of products or services, and can represent varying levels of monetary and time commitment.

We refer to “corporate social action” rather than “corporate social responsibility” because we do not take up the argument that corporations have a “responsibility” to engage in social behavior. We seek simply to generate a theoretical perspective on the category of corporate practices oriented towards delivering social benefits outside the firm. We nevertheless recognize that corporate social action often is cast as corporate social responsibility. Note, for example, the similarity between our conceptualization and an early definition of corporate social responsibility advanced by Davis (1973: 312-313): “firms’ consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm… [to] accomplish social benefits along with the traditional economic gains which the firm seeks.” We rely on the intentions of the actors to illuminate what might be a “social benefit,” recognizing that there might not be consensus about the benefits of corporate actions (e.g. Friedman, 1970). Our focus is thus on the well-intentioned social actions of corporations, not on their responsibility to engage in these actions.

For operational purposes, we define a firm’s local community as the Metropolitan Statistical Area (MSA) in which its headquarters is located. An MSA is defined by the US Census as a “core area containing a large population nucleus, together with adjacent communities having a high degree of economic and social integration with that core” (www.census.gov/population/www/ estimates/aboutmetro.html). Our definition of community includes both the inner city and the surrounding suburban ring, a unit of analysis consistent with the extant literature (e.g., Marquis, 2003; Stuart & Sorenson, 2003). On the basis of prior work, we assume a relatively high degree of interdependence among local community actors such as the general public, non-profits, government agencies, and corporations with a significant presence in the locale.

We propose that local geographic environments, that is, communities, are especially important influences on corporate social action for two reasons. The first is that local understandings, norms, and rules can serve as touchstones for legitimizing corporate social action. Previous research suggests that local and immediate institutional environments might be more salient than broader ones when a practice is contentious (Davis & Greve, 1997), as is often the case with corporate social action (Friedman, 1970; Margolis & Walsh, 2003). For example, Davis and Greve (1997) document that when corporate boards adopt a golden parachute (a controversial practice that richly rewards executives who lose their jobs following a takeover), they look to the actions of other locally-headquartered companies for standards of appropriateness. The result tends to be significant homogeneity within communities but substantial variation between communities. In some cities (such as Dallas) most firms quickly adopted a golden parachute; in others (such as San Jose) most or all local companies rejected it. Guthrie's (2003) study of corporate giving in Cleveland, Atlanta, and Seattle, which supports this pattern, speaks to the emergence of locally defined norms of appropriateness concerning corporate social action. Differences between local cultures emerged frequently in his 150 interviews across these three metropolitan areas. Useem (1988: 83) suggests that community-based norms and attitudes regarding philanthropy are "perhaps the most significant…factor shaping a company's giving."

A second reason local communities might be influential is more pragmatic: corporate social actions are commonly oriented towards the locales in which a corporation's executives reside. Galaskiewicz (1997) found that approximately 70% of the corporate philanthropy of Minneapolis-St. Paul headquartered firms stayed within that metropolitan area, and McElroy and Siegfried (1986) reported similar numbers from their study of 229 companies across 14 US cities. The observation of one civic leader we interviewed, that "80% of corporate spending is typically in the headquarters city," is corroborated by Guthrie's (2003) study of 2,776 firms' giving behavior in 2001 and 2002. Guthrie reported that 77% of giving across 50 communities stayed within the community and that 80% of corporations claimed that their largest single donation had been within their community. Further support for this headquarters-based pattern of social action is provided by a study in Miami, Boston, and Cleveland that showed that locally headquartered companies contributed to their communities considerably more than non-local companies and were much more involved in civic leadership at the local level (Kanter, 1997).

Our focus on how corporate social action is shaped by institutional pressures at the level of the local community builds on this work. By emphasizing this perspective, other aspects of community remain outside our model, including economic conditions and firm-level factors, which may also play a role. Previous studies, for example, have found philanthropy to vary significantly with corporate size and industry (Galaskiewicz, 1997; Guthrie, 2003; Wolpert 1993). Banks and utilities rank near the top on indices of corporate social responsibility; manufacturers and service firms have characteristically different patterns of giving (Kirchberg, 1995; Useem, 1988). Also important are local socio-economic contexts including local income levels (Wolpert, 1993) and educational attainment (Kirchberg, 1995). We believe that these factors might function as boundary conditions for community-level institutional effects. We discuss how they might interact with our focal model in the concluding section.

Using an institutional lens, we conceptualize communities as constituting organizations' immediate environment, and thus they can be modeled in terms of three basic aspects of institutions (Scott 2001): (1) cultural-cognitive, the shared framework of interpretation; (2) normative, defining standards of appropriateness and evaluation; and (3) regulative, which imposes formal and informal constraints on action. The local geographic community, as an immediate institutional environment, thus serves both as a touchstone for legitimacy and as a target for corporate social change, shaping both the nature and level of corporate social action. We elaborate these dual aspects of corporate social action and then expand upon the institutional forces that characterize communities.

The Nature of Corporate Social Action: Focus and Form

We define the nature of corporate social action in terms of two elements: its *focus,* which describes the domain that is targeted (e.g., promoting the arts, supporting education, or developing housing); and its *form,* which describes the manner in which the company engages with that domain (e.g., cash donations, volunteerism, or provision of products or services).

Focus of Corporate Social Action. By focus we mean the particular set of social problems or needs corporate activities are intended to mitigate or benefit. To parse the focus of corporate action, we synthesized the classification systems for types of corporate philanthropy and non-profit organizations already in use by the Taft Group (2005), Foundation Center (2004), and Urban Institute (nccs.urban.org). That the category systems used by these diverse groups are remarkably similar we took to be an indicator of general agreement about the social domains on which corporations focus their efforts. We found these to cluster into four major focus categories: (1) arts and culture; (2) civic and public benefit; (3) education; and (4) health and human welfare. Types of organizations within each of these four major categories are for example, (1) museums and performing arts groups; (2) community infrastructure oriented programs focused, for example, on economic development, housing, public safety, and local environmental efforts, (3) local colleges as well as national universities and other schools, and (4) medical research, mental health, and food and nutrition programs.

We chose to use broad focal categories in order to discern the general structure of the types of social actions in which companies can engage. In practice, corporate actions may sometimes cut cross these categories, such as programs that provide health programs in schools or sponsor cultural events at public housing sites. The targets of corporate activities focused on these domains of social issues can be as broad and diverse as the general public or people in need or as specific as children, the elderly, the disabled, or military veterans as well as other stakeholders in the community. Corporate social action focused on health and human services, for example, could benefit primarily children with cancer or broadly serve an entire community, as through the construction of a new hospital wing.

Our argument that corporate social action within communities has a definitive focus is supported by studies that report significant differences across cities in how and where corporate giving is focused (Guthrie, 2003; Guthrie & McQuarrie, 2005); low income housing, for example, characterized corporate giving in Cleveland and Atlanta, but not in Seattle. Cleveland and Columbus Ohio are also illustrative of cities with very different patterns of corporate philanthropy. From company profiles in KLD's Socrates database, we extracted, and classified using the four-category system outlined above, the main foci of the corporate social actions of the seven major firms in each community. These are summarized by city in Table 1 (Columbus, OH) and Table 2 (Cleveland, OH). We present these examples as illustrations of the different types of social action in which corporations engage.

Insert Tables 1 and 2 about here

From the tables, we observe that major corporations in each city target to some extent all four of the focal categories (arts/culture, civic/public benefit, education, health/human welfare), but patterns of social action across the two communities exhibit fine-grained differences. In Columbus, all but one of the seven major corporations focus on civic and public benefit, and half of these corporate programs are targeted at children's needs (e.g., The Children's Defense Fund). Most of the corporations also focus on education and health/human welfare, but children are singled out for particular attention ranging from kindergarten tutoring to pediatric AIDS. We can speculate that the Columbus corporations' focus on the civil, educational, and health-related needs of children might stem from the influence of Wendy's founder Dave Thomas, a dedicated financial supporter of as well as outspoken advocate for children. Other Columbus headquartered companies as diverse as The Limited, Bob Evans, and Cardinal Healthcare evidence similar attention to children. The Limited, in addition to supporting many child-oriented causes including The Children's Defense Fund, Action for Children, and Pediatric AIDS, also has an employee volunteer program of kindergarten tutoring for which employees contributed about 100,000 hours to 1,400 schools in 2003. Bob Evans supports the Boy Scouts, Girl Scouts, Children's Hospitals, and Children's Defense Fund, and Cardinal Health made two major grants, each in the amount of $100,000, to recognize leaders in children's health care. We thus see in Columbus a thematic focus on corporate initiatives in civic, educational, and health concerns related to children's needs.

In Cleveland, the focus of corporate social action is more concentrated in affordable housing programs, but more diverse in the constituencies served, embracing the homeless, minority home owners, and low income families. The efforts of local financial services firms Key Corp and National City Corporation have drawn praise, and Habitat for Humanity finds strong supporters in manufacturers Eaton and Nordson. Perhaps Cleveland's focus on housing is explained by Guthrie and McQuarrie's (2005) finding that passage of the Low Income Housing Tax Credit seemed to generate corporate incentives to focus social action in this arena, which suggests that the nature of the regulative institutional environment might influence the focus of corporate social action.

Form of Corporate Social Action. We further propose that there are systematic variations in the form corporate social action takes. We categorize the form of corporate social action according to the typology developed by the Committee on Corporate Grant Making (Council on Foundations, 2002): (1) cash; (2) volunteerism; (3) in-kind donations; and (4) non-commercial sponsorship. The differences among these categories at the local level are echoed in Guthrie's (2003) description of how different cities are characterized by different forms of social spending. In Cleveland, the dominant form is cash donations, in Seattle and Atlanta in-kind donations.

Tables 1 and 2 vividly illustrate how local companies can coalesce around an appropriate form of giving. In addition to Guthrie's (2003) finding on social spending, Cleveland companies, for example, support considerable employee volunteerism (see Table 2); Eaton has given awards for employee volunteers since 1933 and Nordson, as a supplement to offering paid time off for volunteering, inaugurated its "Talent and Time" program, which matches employee interests and talents with community needs. In Columbus (see Table 1), on the other hand, no particular *form* of giving is dominant, perhaps as a result of the strong thematic *focus* on children's issues in different social domains, which can, and does, take a variety of forms.

Level of Corporate Social Action

Level refers to the amount—of money, time, or other quantity—a company expends on social activities. Financial giving is an obvious measure; clearly, the level of corporate social action can be assessed in terms of total dollars contributed to a social cause or the valuation (dollar amount) of in-kind donations. But level can also be quantified in non-financial terms such as the number of executives that serve the non-profit community or the number of corporate volunteer hours.

Galaskiewicz's work (1985, 1991, 1997) demonstrating the high levels of corporate giving for Minneapolis-St. Paul is perhaps the best example of how a community can influence a corporation's level of engagement. But not all communities are like Minneapolis. Press accounts routinely lament the lack of philanthropy in Silicon Valley, even calling residents of this millionaire-rich community the "cyber-stingy" (Elkind, 2000). Thus, levels of corporate social action can vary substantially across communities.

To further illustrate, we offer some examples from the 2000 KLD corporate social responsibility database (see Waddock & Graves (1994) for description of KLD's methods and data). KLD rates 662 publicly traded firms including members of the S&P 500 and Domini 400 indices. Firms are awarded points for surpassing threshold levels on each of six dimensions: generous charitable giving (more than 1.5% of net earnings before taxes); innovative giving; support for housing (through partnerships that support housing for the economically disadvantaged); support for education; non-US charitable giving; and other strength (e.g., in volunteer programs or in-kind giving).

To identify community variations in levels of giving, we averaged KLD ratings across these six dimensions for the 36 MSAs that host more than four company headquarters. We found the average score across the top ten MSAs to be nine times greater than the average of the bottom ten MSAs. Not surprisingly, Minneapolis was number one, followed by: Charlotte-Gastonia, North Carolina; Baltimore, Maryland; San Francisco, California; and New York City. The bottom dwellers included: Bergen-Passaic, New Jersey; Birmingham, Alabama; Columbus, Ohio; and Orange County and Santa Cruz, California. All had scores of zero, indicating no significant level of contribution from any company headquartered in any of these MSAs. San Jose (the MSA for Silicon Valley), consistent with its image as an impoverished region for philanthropy, ranked 28 out of the 36 communities. These examples illustrate diverse levels of corporate social action across communities. The important question becomes how to explain this variation.

A MODEL OF HOW COMMUNITIES AFFECT CORPORATE SOCIAL ACTION

The foundation of our approach, in neo-institutional theory, draws on Scott's influential work to model how geographic communities influence the social action of organizations. Institutions are properties of a collective such as a geographic community or organizational field. Our arguments thus describe how institutional features of communities shape the actions of decision-makers embedded in those communities, in particular, the corporate executives in a position to steer corporate social action. The figure summarizes our argument, which theorizes the mechanisms (Davis & Marquis, 2005) by which cultural-cognitive, social-normative, and regulative forces in communities generate patterns in the nature and level of corporate social action. We expand on each of the institutional factors by advancing propositions that describe how features of communities affect corporate social engagement.

Insert Figure about here

Cultural-Cognitive Community Forces

Cultural-cognitive institutional forces arise from the shared frameworks or mental models upon which actors draw to create common definitions of a situation. Within a given frame of reference, sensible courses of action often follow a shared set of underlying logics that arise from these cognitive templates as shaped by cultural influences (Scott, 2001). Our focus here is on how corporate communities come to share a frame of reference around the nature of corporate social action. These frames of reference are a source of templates or models characteristic of a set of actors that facilitate the adoption of similar practices by other members of the group.

The importance of geographic communities for understanding organizational behavior was documented in early institutional work such as Selznick's (1949) study of the Tennessee Valley Authority and Zald's (1970) research on the Chicago YMCA, both of which testify to the strong influence of local environments on organizations. More recent work illuminates the influence of locally shared frames of reference on a variety of organizational behaviors ranging from patterns of philanthropy (Galaskiewicz, 1997) to styles of doing business in high-tech industrial districts (Saxenian, 1994). Molotch, Freudenberg and Paulsen (2000), contrasting the divergent trajectories of Santa Barbara, California and Ventura, California, argue that different "city traditions" perpetuated by community organizations shaped patterns and levels of economic development in these two communities. Analyzing how different community-level frames of corporate governance influence boards of director networks in 51 US cities, Marquis (2003) found that prominent local firms serve as templates for appropriate board behavior for community newcomers. Finally, Lounsbury (2007) showed how different institutional logics fundamentally shaped variation in the practices and behavior of geographically distinct groups of actors; mutual funds in Boston, for example, resisted the efforts of New York funds to push aggressive growth money management strategies by maintaining a focus on conservative, long-term investing.

Robert Putnam's (2000) work on social capital in the United States included an analysis of the distinct patterns of social engagement among the American states. His "social capital index" highlights individual differences in propensity to volunteer, inviting others over to dinner, and similar actions that express in general ways the social engagement of community members. By extension, different standards of appropriateness in different localities might reasonably be expected to differentially affect corporate social action in the community, inasmuch as key organizational constituents such as senior managers and employees also populate the local environment and the local community constitutes an important group of stakeholders (Freeman, 1994).

Taken together, these studies suggest that cognitive templates about what constitutes appropriate, credible, or legitimate organizational social practices differs across localities, and the degree of isomorphism or community consensus about the nature of appropriate corporate social practices, will pressure corporations to align their activities in ways that are sanctioned by the community. Moreover, common and accepted ways of acting serve as models that can be used by existing or new actors within a community as reference points for patterning their actions.

We contrast the MSAs of Minneapolis-St. Paul and Atlanta to illustrate how community-based templates drive the nature of corporate social action within locales. Minneapolis's vibrant civic sector and generous level of philanthropic giving have been lauded by Galaskiewicz and others. Less well known is that a primary focus of giving is arts and cultural activities, and that this reflects the institutionalized sentiments of the community. That Minneapolis-St. Paul residents highly value the arts was manifestly evident in the 2003 Minnesota State Survey; asked, "Do you believe that arts and cultural activities help to make Minnesota an attractive place to live and work?" more than 94% of respondents answered in the affirmative. A local newspaper cited figures showing higher per capita theatre going among residents of the Twin Cities (82%) than among residents of comparable cities such as Chicago (45%), St. Louis (24%), and Boston (18%) (Minneapolis Star Tribune, 2001). According to the Urban Institute's data on non-profit giving, Minneapolis/St. Paul is among the top five cities in per capita giving to the arts (much of which comes from business), but ranks 30th overall for non-arts related non-profits. Government officials support this pattern, as evidenced by the following sentiment expressed by former Governor Elmer L. Anderson: "Except for its educational opportunities, nothing strikes me as more important to Minnesota's quality of life than its art programs. Theater, music, dance, visual arts are all important parts of a good society" (Minnesota Citizens for the Arts, http://www.mtn.org/mca/).

The pattern observed for Atlanta is markedly different. Atlanta businesses contribute a mere $8 per capita to the arts, compared to $63 for Minneapolis. Corporate social action in Atlanta is oriented towards local boosterism. The "Atlanta spirit," which emphasizes image building through visible public works, receives extensive comment in academic literature and the press. In a book on Olympic cities, Burbank, Andranovich and Heying (2001: 82) describe boosterism as a "pervasive ethos of the city's business elites" that influenced Atlanta corporations' intense focus on the Olympic games. An article in the local Atlanta Journal-Constitution observed that "even a hundred years ago, Atlanta was the city of big horn-tooters," and that the same pride in promoting the city that led to it hosting the 1996 Olympics had led in 1895 to Atlanta being chosen as the venue for the Cotton States Exposition (Chambers, 1998). Historian Bradley Rice, author of Georgia: Empire State of the South, noted a continuing "tradition of Atlanta boosterism" (quoted in Holley, 1996), which might be nowhere better evidenced than in its' hosting the 1996 Olympic games. In Atlanta, the focus of corporate social action tends to center on community events that afford civic and public benefit as well as on the development of an infrastructure that showcases the city. Complementing this focus is an equally clear form of corporate social action in Atlanta, documented by Guthrie (2003), as in-kind donations.

The examples of Minneapolis-St. Paul and Atlanta might seem like extreme cases, but such an alignment between community ideology and the nature of corporate social action parallels that found in industry-level analyses. For example, local electric utility representatives described to us how their philanthropy typically focused on technology education, bankers how theirs focused on housing. Examples of corporate giving driven by community focus can be found in other cities as well. Seattle's legacy of music innovation aligns well with its new arts institution, Experience Music Project Museum, corporations in the entertainment center of Los Angeles recently funded a new $300 million concert hall, and companies in San Francisco, renowned as a technology center, scored the highest on the innovative giving index of KLD. Albeit anecdotal, these examples suggest that different communities' different styles of giving are reflected in the nature of corporate social action.

The preceding examples speak to the influence on corporate social action of shared cognitive typifications at the community level. Such typifications are governed by constitutive rules that define institutional fields of meaning as well as the actors' capacity for action within those fields. The degree of isomorphism, or prevalence of a particular form, focus, or level of corporate social action, is an index of consensus about such cognitive boundaries (Glynn & Abzug, 2002). As Zucker (1991:103) found: the "greater the degree of institutionalization, the greater the … uniformity of cultural understandings, the greater the maintenance … and the greater the resistance to change." The degree of isomorphism, or community consensus about the nature of corporate social action, in terms of both focus and form, shapes corporations' practices. These shared ways of acting serve as templates that can be easily adopted by existing organizations in, or organizations new to, a community. That corporations, in their quest for legitimacy, generally align their practices with those sanctioned by the community leads us to the following proposition.

Proposition 1: Community-level cultural-cognitive factors will affect the nature of corporate social action, shaping both its focus and form, leading to isomorphism within communities.

Social-Normative Community Factors

The social and normative systems that develop in cities set the standards for, and enforce conformity to, accepted levels of giving. For example, Guthire (2003) found that 91% of companies reported strong to moderate local norms for philanthropic activities. Following this logic, we propose that social and normative systems have a strong effect on the *level* of social action. We believe this distinction to be important, and to stem from the fact that the level of corporate giving is closely tied to annual profits (Kirchberg, 1995; McElroy & Siegfried, 1986). Consequently, corporations must consciously revisit and manage the level of their corporate social activity each year, making it likely that normative systems and standards in place in each community have a large influence on these decisions.

Normative influences are distinct from cultural-cognitive influences in having an underlying evaluative tone. Whereas the cultural-cognitive gives a shared frame of reference, of “how things are done around here,” the normative arises from a moral base—“what is *right* to do around here.” Normative influences shape executives’ evaluations of their peers, and, conversely, influence how their peers’ evaluative expectations shape executives’ choices of social actions. This evaluative nature becomes more salient when we take into account the annual revisiting of levels of corporate social action. Those in dense social systems that value high levels of giving, such as business executives in the tight-knit community of Minneapolis, face regular scrutiny from their colleagues, which can enforce norms around appropriate levels of contribution.

Galaskiewicz (1985, 1991, 1997) documents the institutionalization of these dynamics in Minneapolis's "Ethic of Enlightened Self Interest," which includes the famous "5-Percent Club" established in the 1970s, members of which pledge to give 5% of after-tax profits to charity. The club's more than 250 member companies today donate either 2% or 5% of their profits to the community. Galaskiewicz describes how early business leaders tried to create a pattern of social influence that would enhance local companies' corporate service largely by creating a social infrastructure that connected local companies and non-profits, which helped to enforce the normative level of corporate giving.

That normative factors vary by city is documented in previous studies of the geographic basis of corporate behavior (e.g., Kono, Palmer, Friedland & Zafonte, 1998; Lounsbury, 2007; Marquis, 2003). Earlier investigators also documented how institutions and linkages developed among diverse organizations located within the same community (e.g., Lincoln, 1979; Litwack & Hylton, 1962; Turk, 1977; Warren, 1967). Interestingly, much of this early work sought to demonstrate that the American community was undergoing great change that involved the increasing orientation of local community units toward extra-community relations. But more recent investigations such as those by Galaskiewicz (1997) and Marquis (2003, Marquis & Lounsbury, 2007) illustrate that even in very recent times local social-normative systems continue to be an important consideration in understanding corporate behavior.

A number of studies have indicated that local evaluative criteria and systems are important for understanding the level of firm giving within the community. Extending Galaskiewicz's work on local tithing clubs, Navarro (1988) found having such clubs to be a significant predictor of firm level contributions across a sample of 249 large national firms, and McElroy and Siegfried (1986), on the basis of interviews with corporate philanthropy personnel in 14 US cities, suggest that a significant amount of giving is influenced by other firms within the local community.

The effect of local tithing clubs on the level of corporate social action might be obvious, but more generally social networks serve an important role in promoting conformity to local norms by providing a context for transmitting and enforcing local standards of behavior. The boundaries of the "local community" can be extremely local. Festinger, Schachter and Back's (1950) famous study of MIT student housing described how social networks that coalesced around clusters of apartments tended to generate their own local standards around issues such as whether there should be a tenant association, leading the authors to conclude:

> There are not usually compelling facts which can unequivocally settle the question of which attitude is wrong and which is right in connection with social opinions and attitudes as there are in the case of what might be called "facts"....The "reality" which settles the question...is the degree to which others with whom one is in communication are believed to share these same attitudes and opinions, [which] tends to produce uniformity in the behavior of members.

Thus, when annually revisiting questions such as "What is the right amount to donate to local non-profits," the "right" answer hinges on the opinions of peers to whom an actor is socially connected.

This process has an edge to it: dense social networks generate many opportunities where one has to explain oneself to one's peers for failing to uphold "community standards." In his memoirs, Harold Geneen, who built the conglomerate ITT during the 1960s and early 1970s, argued that peer pressure was the most effective way to influence corporate directors.

> What can spur them to action? One thing: the fear of looking foolish. Most didn't join the board to make money or to prove themselves; they joined for the prestige. To see that prestige threatened is their worst nightmare. The dread of humiliation is their one great motivating force. Thus, if a board member's golf partners start making wisecracks about the company that he is supposedly guiding, watch out. He'll get into fighting trim, fast. (Geneen & Bowers, 1997: 86).

Executives who face such encounters routinely in the context of the social organization of the local elite are likely to be susceptible to normative pressures on their firms' social actions.

This prior research suggests the importance of local network connectedness. Recent empirical work (Galaskiewicz, 1997; Guthrie, 2003; Ostrower, 2002) and our discussions with civic leaders reveal the *types* of connections and local institutions to be important elements of local social systems. Minneapolis and Silicon Valley both have dense local corporate networks, yet stand nearly at opposite ends of the spectrum of corporate social action. Our discussions identified two key elements of local social-normative systems that cultivate an environment that promotes high levels of local corporate social action. One is dense connections between local non-profits and corporations, which encourage higher levels of corporate involvement. The other is the development of a local institutional infrastructure, in particular, two important types of local institutions—community foundations and elite civic involvement groups—that, by connecting corporations to their communities, play an essential role in promoting high levels of engagement. Local institutions serve to put corporations directly in touch with social needs and channel the capacity for coordinated action created by dense networks.

Connections between non-profits and local corporations tend to promote greater levels of corporate social involvement; more connections between corporations and non-profits facilitate the spread of information and increase the likelihood that companies will give (Galaskiewicz, 1997). Localities clearly see connections between corporations and non-profits to be important. In one of the cities in which we conducted interviews, the local chamber of commerce ran a non-profit board member development program for corporate executives with the explicit goal of placing executives on non-profit boards. Many non-profit boards, moreover, have standard giving amounts for board members; the arts museum in one local community has an implicit standard of a $10,000 annual gift from all board members. Ostrower's (1995) finding of a strong connection between board memberships and giving is summarized in the oft-quoted maxim shared by arts non-profit board members: "give, get, or get off" (Ostrower, 2002: 66). It would thus seem that the greater the density of connections between non-profits and corporations, the greater the level of corporate giving, both because individual board members will influence their corporations' giving and because the closer connections they have to others will raise giving levels overall.

The presence of an active institutional infrastructure, including entities such as community foundations and elite civic involvement groups, also fosters corporate social action in local environments. In our interviews, the existence of local institutions that connect corporations and non-profits was seen as essential to generating corporate social action that benefited the community. A frequently cited influence on the level of corporate giving was community foundations, organizations designed explicitly to support local philanthropic projects. The president of a local community foundation, who described the primary role of the organization to be to connect local corporations to local non-profits, explained that the foundation's board served as a mechanism for putting executives in touch with places to donate funds and become involved. Guthrie (2003) reported that 89% of corporations indicated that they received funding requests from local non-profits, so institutional mechanisms to connect corporations and social welfare groups would likely generate higher levels of funding. The president of the largest community foundation in one of the cities we did our interviews estimated that 80% of the allocations by corporate representatives on the board were to other board members' organizations.

Elite business groups that network the leadership of local corporations serve an important role as disseminators of information and norms regarding corporate social action. These exist in many cities; two of the best-known are Detroit Renaissance and Cleveland Tomorrow. These organizations promote high levels of corporate engagement in two ways. First, they have an explicit objective of economic development, which is often carried out with the aid of corporate donations and other involvement. Second, the CEOs of the member organizations attend approximately a dozen meetings per year, which further orients them to community social engagement. Detroit Renaissance has funneled corporate funds from the largest companies in southeastern Michigan into countless social programs that have targeted, among other needs, housing, economic development, minority business, cultural arts, and the local public schools (see www.detroitrenaissance.com), and Guthrie and McQuarrie (2005) and others credit Cleveland Tomorrow with helping to drive the revitalization of Cleveland: "[W]ithout question, Cleveland Tomorrow has been a driving force behind Cleveland's comeback and an originator of many of Cleveland's most successful partnerships" (Adams 1998, p. 7, quoted in Guthrie and

McQuarrie, 2005). Guthrie and McQuarrie note that neither Atlanta nor Seattle has such a group, a structural disadvantage for those communities. Although the importance of these CEO groups has been specifically acknowledged by Guthrie and McQuarrie (2005) as well as by our interviewees, other elite business groups such as chambers of commerce and local United Way chapters might play a similar role.

Building on Galaskiewicz's groundbreaking work on the development of local institutions that fostered giving in Minneapolis, we attempt to illuminate a more general theory of how local social systems can foster greater levels of corporate social action. We emphasize two important connecting mechanisms that facilitate the dissemination of information about community needs and expectations to companies. One is greater connectivity among corporations and non-profits, which we maintain will spur greater levels of corporate involvement. The other is the existence within communities of an active institutional infrastructure, particularly community foundations and elite involvement groups; we theorize that the greater the presence of these organizations, the greater the level of corporate involvement. More formally, we make the following proposition.

Proposition 2: Community-level social and normative institutional forces will affect the level of corporate social action: Greater connectivity between corporations and local non-profits as well as the presence of local institutions increase the level of corporate action.

Regulative Community Factors

In Scott's formulation (2001: 35), "...regulative processes involve the capacity to establish rules, inspect or review others' conformity to them, and, as necessary, manipulate sanctions—rewards or punishments—in an attempt to influence future behavior." In translating this to the community level, we focus on how local politics and government mandates can temper or promote both the nature and level of corporate social action.

Regulatory forces are important to understanding corporate social action. King and Lenox (2000), who studied the efficacy of both self-regulation and governmental sanctions on environmental action by the chemical industry, found, for example, that absent governmental intervention there is significant potential for opportunism by chemical organizations   Similarly, in a review of the "green business" literature, Newton and Harte (1997) highlight the limits of voluntary action and advocate a stronger role for regulations in creating organizations that are committed to organizational change. These studies suggest that coercive regulations are important as guides for how and where to focus corporate social action.

These regulatory effects on organizations might seem straightforward, but recent work in organizational sociology complicates the relationship between laws and organizations, noting how mandates regarding corporate actions and structures are often highly ambiguous. Enactment of the Civil Rights acts of the 1960s designed to end workplace discrimination was not, for example, followed immediately by the adoption by US corporations of a uniform and consistent set of practices. Edelman (1992), who documented the varying degrees of compliance with which firms implemented equal employment policies and affirmative action offices, observed that these organizational variations seemed to be governed by variations in the institutional environments firms confronted. And, as Hoffman's (1999) work suggests, regulative forces are in many ways only a starting point.

Although the existence of regulation clearly shapes corporate action, its implementation within institutional fields accommodates considerable variation. Guthrie and McQuarrie's (2005) work on the influence of the Low Income Tax Credit (see Guthrie, 2004 for a summary of this law) on housing spending shows how responses to legislation can vary by community. As they describe it, for corporations to successfully implement these acts requires the development of a local organizational field to serve as an intermediary. Guthrie documents how this field coalesced in Cleveland and, to a lesser extent, in Atlanta, but not in Seattle, leading to considerable variation in the success of corporations' utilization of Low Income Tax Credits in these three cities. The existence of legislation is thus in some ways only an impetus for action, the eventual practices that result being determined more by the dynamics of firms' institutional environments (Edelman, 1992).

Local governments play an important role in focusing corporate investment in communities. Bielefeld and Corbin (1996), for example, studied how the underlying political culture of metropolitan areas influences the types of non-profits governments and the private sector will fund. Guthrie and McQuarrie (2005) credit the successful use of Low Income Housing Credits in Cleveland to former Mayor George Voinivich for his emphasis on public/private partnerships. The changing relations between Detroit's city government and the local corporate community over the past 35 years are a further example of how local governments can focus business involvement in a community. In the wake of the Detroit riots in the late 1960s, large companies abandoned the city in droves. Mayor Coleman Young's perceived open hostility to local corporations prompted even more business exits during his tenure from 1974 to 1993. The process of encouraging business involvement in the community began with Dennis Archer, mayor from 1994 to 2001, who promised a "180-degree shift" (Jacoby, 1998: 534). Archer led Detroit's establishment of the Empowerment Zone program (www.detex.com), a new approach to urban revitalization whereby businesses, residents, and non-profits come together to revitalize an economically depressed area. This program attracted investments in excess of one billion dollars from the Detroit business community, and involved more than ninety economic development and human services programs focused on safety and beautification of the area and the residents' educational, health, transportation, and employment needs. These examples suggest that political actors and governmental regulations vary considerably by state and even community, and that regulative factors influence where and how corporations engage in social action. We summarize these observations in the following proposition.

Proposition 3a: Regulative factors within communities will affect the nature of corporate social action such that legal and political concerns will either temper or promote the focus and form of corporate social action.

The relation between tax breaks and level of corporate social action has received substantial attention from researchers. Burt (1983) documents a correspondence between giving and tax rates, a finding replicated by Bakija and colleagues (Bakija & Gale, 2003; Bakija, Gale & Slemrod, 2003), among others. Governmentally defined incentives are also important for in-kind giving. Useem (1987), who described how the Tax Act of 1981 allowed manufacturers liberal valuations of goods donated to a range of charitable causes including education, health, and human services, notes that pharmaceutical and food companies benefited most from this provision. Greene and Williams (2002) document similar deductions available to computer firms. This well-established relationship between tax rates and giving is clearly an important influence on the level of corporate social action. We summarize these observations in the following proposition.

Proposition 3b: Regulative factors within communities will affect the level of corporate social engagement such that the existence of legal and political incentives will either temper or promote the level of corporate social action.

Relating the Nature of Corporate Social Action to the Level of Corporate Social Action

We have outlined a theoretical framework for understanding how the institutional infrastructure of communities affects the nature *or* level of corporate social action. We now connect these two outcomes. We theorize that isomorphism (or community consensus) on the appropriate forms and foci of corporate involvement will lead to higher levels of overall giving as greater numbers of corporations engage, often more generously, in the sanctioned activity.

Prior work supports the existence of this relationship. Useem (1991), for example, found that higher overall agreement among local businesses to support the arts generated greater levels of corporate funding. More generally, corporate social action benefits from mobilization around a focal concept, much as collective action in a social movement or the diffusion of a particular innovation. Because in the early stages of mobilization processes there is often considerable uncertainty about the value of an innovation or a particular action, the earliest participants tend to engage for idiosyncratic reasons. But as more organizations adopt a practice, the character of adopters shifts from the periphery to the center, to actors whose adoption helps legitimize the innovation (e.g., banks and utilities). The rate of participation subsequently accelerates and the innovation diffuses more rapidly (Rogers, 1995). Thus, institutionalization of the form or focus of corporate social action can create a bandwagon effect that increases the overall level of activity.

Research on the processes of institutionalization demonstrates how greater cognitive agreement on a practice leads to greater prevalence of that practice. Glynn and Abzug (2002) documented in a study of organizational names and name changes significant differences in corporate naming patterns in different historical periods. Moreover, they found that the greater the presence of particular naming types, the more likely companies are to adopt names consistent with the pattern (Glynn & Abzug, 1998). Their findings suggest a snowball effect: as a form gains legitimacy, more and more companies adopt it until it eventually emerges as a dominant practice. Consistent with this argument, Fligstein (1985) found that mimetic isomorphism follows the period of early adoption of innovations in corporate form, and Davis and Greve (1997) connect the argument to the community level by theorizing how corporate governance practices vary in degree of legitimacy by geographic area. In all of these cases, corporate forms and practices begin as more or less idiosyncratic activities, but with increased prevalence social consensus about the legitimacy of the practices emerges.

Building on this argument, we expect homogeneity in the focus and form of corporate social engagement within communities to yield increased overall levels of corporate social action. Returning to our illustration from Columbus, Ohio (see Table 1), we can see how children's needs created a thematic focus for corporate social practices in the civic, educational, and health domains. Dave Thomas, perhaps for reasons stemming from his own childhood spent in an orphanage, committed Wendy's philanthropic resources to children's concerns. His personal commitment, supported by Wendy's, offered other Columbus firms a ready-made institutional template for social action for civic and public benefit. Other companies in the Columbus community followed Wendy's lead, but infused it with their own interests and expertise. Cardinal Health, for example, focused on children's health through grants, The

Limited on children's education through volunteer tutoring programs for kindergartners. Likewise, in the Cleveland community (see Table 2), the Eaton organization had begun supporting employee volunteer efforts as early as 1933, sending a signal that employee volunteer programs were an appropriate form of corporate social action. The process of institutionalization of particular forms and foci of corporate social engagement thus legitimized models that coalesced community activity, promoting the participation of more companies and higher levels of giving.

Our general argument is that community convergence around a particular form or focus of corporate social action will lead to higher levels of overall giving because corporations will be more likely to enact and support programs that are consistent with the community norms. Essentially, the cognitive load is lessened for later adopters, who can emulate the focus and form of social engagement of their predecessors. In turn, we expect to see higher levels of corporate social action. This suggests the following proposition.

Proposition 4: The greater the level of agreement among local corporations within a community on the appropriate focus and form of social action, the greater the overall level of social action by local corporations.

DISCUSSION AND IMPLICATIONS

We advanced a model that explains how the community in which firms are embedded affects the nature and level of corporate social actions. We theorized that corporate social action follows from the institutionalized cognitive templates, social-normative systems, and regulative environment of the local geographic communities in which companies are located or headquartered. More formally, we proposed that community-level, cognitive-cultural forces affect the nature of corporate social action (P1) through the development of a cognitive guidance system that legitimizes the foci and form of social action. We further propose that community-level normative forces affect corporations' levels of social activity (P2), and that regulatory forces influence both the nature (P3a) and level of corporate social action (P3b). We also propose that the greater the consensus on the nature of corporate social action, the greater the overall level of activity by local corporations in a particular community (P4).

Our theoretical model suggests a view of corporate social action as an outgrowth of institutionalization processes at the level of the local communities in which firms are headquartered. We believe that our framework contributes to the literatures on institutional theory and on corporations as social change agents.

Implications for Modeling Corporations as Social Change Agents

Because we model corporate social action as arising from and responding to local communities, we redirect attention from the dominant atomistic perspective to one that is fundamentally social in nature. Margolis and Walsh (2003) documented more than 100 studies that attempted to link an individual firm's social stance to its financial outcomes. We examine corporate social action not as an independent variable but a dependent variable, located within the institutional and social structure of the local community. We explicitly recognize what Granovetter (1985) terms "embeddedness," that is, that corporate practices for social change are anchored in networks of relations, both personal and structural, in the communities to which they are tied. The content and structure of ties among businesses, non-profits, local governments, and elite civic organizations all help to orient firms to particular kinds and levels of social action. We believe that this orientation helps to reconnect "organizations and social systems" (Stern &

Barley, 1996), a topic that has repeatedly been the subject of calls for more research (Hinings & Greenwood, 2002). Such a view opens up the study of corporate social activities to several alternative perspectives advocated by Margolis and Walsh (2003).

The tension Margolis and Walsh (2003) describe in the 127 studies they review comes, of course, from the prevalence of forces opposed to corporate social action. Economic theorists and some social commentators see social engagement as a diversion of business resources from their proper use (Friedman, 1970) to activities highly doubtful to earn financial returns. The daily pressures of business, and simple inertia, militate in favor of pulling back. Corporate social action is thus an ongoing accomplishment. The real question is not why don't businesses do more for their communities out of enlightened self-interest, but why would they ever do anything? (See Margolis & Walsh, 2003 for a similar argument.) The answer to the latter question lies in finding an explanation for the ongoing vibrancy of business-civic connections that pervades some communities year after year. We have drawn on Scott's (2001) institutional perspective to provide some theoretical insights as to why some communities might be more fertile soil for corporate engagement than others.

More generally, our framework might generalize beyond corporate social action as we have portrayed it. The concept of community isomorphism might apply to other forms of corporate actions, even to those that might be unintended or socially undesirable. Community pressures that encourage corporate conformity to cultural-cognitive templates and normative guidelines suggest that corporate social action might benefit some aspects of the community to the detriment of others. Non-profit scholars have noted potential elite biases and the use of charitable contributions to disproportionately benefit the local upper class (DiMaggio & Anheier, 1990). Corporations with a fixed contribution budget under pressure to contribute to a city's arts programs might, for example, neglect more pressing human needs such as housing or health care. Corporate contributions guided by locally defined standards of behavior and norms might flow to some sectors of the community and not to others. There might be implications that public policy, at the local level, should align corporate social action with needed social concerns; our framework suggests that institutional levers might enable such alignment.

Implications for Institutional Theory

Beyond explaining corporate social action, our framework extends the reach of institutional theory. Although institutionalists have acknowledged that organizational practices are contextualized within institutional environments (Scott, 2001), most research has overlooked the geographic community as an influential level of analysis. Institutional theory's neglect of community-level influences is particularly ironic given its underlying premise that action and choice cannot be understood outside of the cultural and historical frameworks in which organizations are located. Early institutional research sought to show how organizations were heavily influenced by local sources of power (e.g., Selznick, 1949; Zald, 1970). The move from an underlying logic of cooptation to one of social construction has led neo-institutional theory to focus on geography-independent organizational sectors, or fields. "Environments in this view are more subtle in their influence," suggested DiMaggio and Powell (1991:13); "rather than being co-opted they penetrate the organization, creating lenses through which actors view the world and the very structures of action, and thoughts." As institutional theory migrated from a power and political to a more normative and cognitive orientation, it also abandoned the study of local influences.

We have attempted, by illuminating how the cultural, normative, and regulative logics of institutional theory can abet our understanding of how communities influence organizations, to shed light on and expand upon the handful of previous studies that have emphasized the importance of communities (see also Freeman & Audia, 2006). Galaskiewicz (1997), for example, described how the local giving patterns of Minneapolis-St. Paul-based companies continued to be influenced by network effects despite the retirement of most network members, and Saxenian (1994) describes how the lingering characteristics of two technology communities, Boston and Silicon Valley, continue to influence innovation and production within these regions. And Lounsbury (2007), in a study of differences between Boston and New York mutual funds, showed how competing institutional logics can have geographic bases.

We are hopeful that the framework we have built on the foundation of these studies will rekindle interest in the study of community in institutional theory. Meyer and Rowan (1977) suggest that social connections among actors, as are likely to be present in a community, create an institutionalized context and constitute the processes through which rationalized myths arise. Thus, as our theory and illustrations suggest, it is likely that co-location within communities would engender isomorphism of corporate social action.

Future Research Directions

Our focus on corporate social change at the community level reveals how institutional processes operate *within* more immediate organizational fields, a needed perspective in institutional research (Glynn & Abzug, 2002). How convergence occurs at more micro levels, and how these aggregate as institutionalized patterns to more macro levels such as the state, region, or nation-state, is a needed window on institutionalization across levels of analysis. That multinational corporations that produce and sell in dozens of nations around the globe evidently continue to reflect the traditions of social engagement of their hometowns suggests an eminently researchable topic: how does social action change as the scope of firms' venues and activities expands from local to national to global? Further, to what extent does social performance vary across the globe? Similar to KLD in the US, social rating agencies exist in a number of countries (e.g. ARESE in France (Igalens & Gond, 2005)) and so a cross-national comparison of corporate social activities is an eminently researchable topic.

Institutional theory might also benefit from closer scrutiny of corporate social change efforts, which can introduce agency into the process of institutionalization and potentially reveal how social action at the firm level produces and reproduces patterns at the community level. Researchers investigating corporate social performance might take a page from institutionalists' accounts and trace historically one particular aspect of corporate social action such as volunteerism, arts patronage, or civic boosterism through broad and immediate environments. Alternatively, they might focus on the level of community, as suggested by our model, and conduct comparative, cross-community studies to detect the relative influences of different institutionalized forces such as the cognitive, normative, and regulative. Publicly available, archival data sources such as KLD's Socrates database, the Urban Institute's data on non-profits, census information, and Putnam's "Bowling Alone" and Social Capital Community Benchmark Survey websites (www.bowlingalone.com; http://www.ropercenter.uconn.edu/dataacq/scc_bench.html.) would prove useful to such researchers. It would also be illuminating to examine how these externally focused social actions might correlate with internally-focused social behaviors such as flexible work scheduling or maternity leave.

We have moored our explanation of corporate social activities at the community level of analysis, but future researchers could investigate how the influence of community might be amplified or muted by the inclusion of other levels of analysis. Scholars investigating corporate social change might, for example, investigate interactive or nested effects of community that embrace more macro or more micro-levels of analysis. We can speculate that factors at the organizational level might interact with those at the community level to produce more or less active and engaged corporate citizens. Perhaps organizations such as The Body Shop, Tom's of Maine, or Merck, which are routinely lauded for their social responsibility, might be more active social change agents in communities that encourage such ideals, and even shape the community norms and beliefs that emerge. Alternatively, the influence of local environments might be increased or tempered by other geographic communities in which they are nested. Institutionalized aspects of cities, regions, nation-states, or global arenas may have cognitive, normative, or regulative features that work in concert or conflict with each other. Such studies would begin to offer a more nuanced view of corporate social action, and, with it, the promise of corporations' impact as agents of change.

Institutional forces may also interact with other sources of heterogeneity across communities. Exploring the institutional dynamics of community influence under different boundary conditions, demarcated by industry, socio-economic or firm-level characteristics, is one promising strategy. The idea that there are size and industry differences in corporate funding patterns is accepted wisdom (Kirchberg, 1995; Useem, 1988), and consistent with institutionalists' notions of variations in organizational fields (DiMaggio & Powell, 1983). Future investigators might try to tease out how community-level institutional effects vary given other socio-economic and demographic differences within local populations.

Finally, we note that the model we advance may have a recursive dimension; such that corporate social action is likely to feed back to affect the institutional character of the community. Although lack of attention to dynamism is frequently noted as a critique of institutional theory (Hisch, 1997), we suggest that this might represent an enticing direction for future research because, although institutionalists have demonstrated that environmental factors (Oliver, 1991; Scott & Davis, 2006) and institutional logics drive action (Scott, Reuf, Mendel & Coronna, 2000; Thornton & Ocasio, 1999), they have been negligent in mapping the full cycle of "institutional building, maintenance, and destruction" (Haveman & Rao, 1997: 1607). Barley and Tolbert (1997) observed that corporations are "suspended in a web of values, norms, rules, beliefs, and taken-for-granted assumptions," but also alert us to the fact that institutional factors "are at least partially of their own making" (Barley & Tolbert, 1997: 93), suggesting the dynamism inherent in institutional processes. One research project suggested by a feedback loop is examining the institutional effects of cities' hosting of major sporting or political events. As noted in the case of Atlanta, cognitive and normative influences at the local level help urban centers host public spectacles like the Olympic Games; it would be interesting to examine the impact of such major events on the cities that stage them. Given that such events tend to be economically lucrative (Barney, Wenn & Martyn, 2002), they likely affect the institutional infrastructure of the community. Future researchers might usefully explore this recursive dimension more explicitly.

CONCLUSION

Our focus on geographic communities as the institutional fields in which patterns of corporate social action take shape promises to open up an important new area of research. Our model highlights the role of the institutional environment on the emergence of social action by corporations, theorizing that isomorphic forces exist within local communities. An institutional lens suggests an interplay between corporations and their communities that focuses, forms, and directs social change efforts. This perspective has the potential to enrich theories on corporate social change and to counter economists' arguments against such corporate activism.

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Table 1
The Nature of Corporate Social Action by Community:
Illustrations of Focus and Form for the 7 Major Corporations in Columbus, OH [1]

Focus / Company	Arts/Culture	Civic and Public Benefit	Education	Health and Human Welfare
American Electric Power Company, Inc.		• Donates $100 to organizations where employees volunteer		
Bob Evans Farms			• United Negro College Fund • 4-H, Boy & Girl Scouts, Children's Defense Fund	• Children's Hospitals • In-kind donations to Second Harvest Food Banks
Cardinal Health, Inc.		• Grants to support employee volunteer efforts		• Two major grants of $100,000 each for leaders in children's health care
Huntington Bancshares	• 20% of FY 2002 donations	• 20% of FY 2002 donations • Targets loans at low- to moderate-income areas	• 25% of FY 2002 donations	• 35% of FY 2002 donations
Limited, Inc. (The)		• Children's Defense Fund • Action for Children • Columbus Foundation	• Adoption of classes or schools • "Reads Program" tutoring for kindergarten	• Pediatric AIDS • Ohio Hunger Task Force
Wendy's International		• Dave Thomas Foundation for Adoption • Tim Horton Children's Foundation	• Scholarships to students for college	
Worthington Industries, Inc.		• Community Shelter Board for homeless men	• YMCA Future of America award for children's leadership skills	

[1] All Columbus headquartered firms that were on the S&P 500 Index or Domini 400 Social Index as of 2000.

Table 2
The Nature of Corporate Social Action by Community:
Illustrations of Focus and Form for the 9 Major Corporations in Cleveland, OH [2]

Focus Company	Arts/Culture	Civic and Public Benefit	Education	Health and Human Welfare
American Greetings Corporation			• Scholarships	
Charter One Financial, Inc.		• Coalition for Homelessness • Affordable housing	• Renovations to school	
Eaton Corporation		• Award for employee volunteers (since 1933) • Habitat for Humanity • Supports affordable housing	• Science Education, Junior Achievement	
Key Corp		• Paid volunteer time • Enterprise Foundation for affordable housing • Best minority loan provider in N. Ohio	• United Negro College Fund • Scholarship Program	
National City Corporation	• 12% of donations	• Paid volunteer time • Better than peers on low income loans		
Nordson Corporation		• "Talent and Time" volunteer program • Habitat for Humanity	• 43% to education • Teacher development programs	
Parker-Hannifin Corporation			• United Negro College Fund • HBCU engineering focus	
Progressive Corporation	• Maintains substantial contemporary art collection			• Works to reduce cost and trauma of auto accidents
Sherwin-Williams Company		• In-kind donations for neighborhood clean-up		

[2] All Cleveland headquartered firms that were on the S&P 500 Index or Domini 400 Social Index as of 2000 with the exception of TRW, which subsequently became a private company.

Figure 1:
Model of Corporate Social Action at the Community Level