From Heresy to Dogma: An Institutional History of Corporate Environmentalism, by Andrew Hoffman. San Francisco: New Lexington Press, 1997.

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Andy Hoffman has written a gem of a book that the mainstream OT or strategy reader might shy away from because of its apparent focus on "corporate environmentalism." Any such hesitancy would be a mistake, though, because corporate environmentalism supplies the context for a fascinating exploration, application, and critique of institutional theory. Hoffman studies the chemical and petroleum industries from 1960 to 1993, using institutional theory as the conceptual lens for understanding how these industries have been altered by increasing pressures for environmental management. In the book Hoffman seeks to answer two fundamental questions: (1) How did industry move from a posture of vehement resistance to environmentalism to one of proactive environmental management? (2) Why has this transformation occurred?

The history Hoffman presents in this book addresses the institutional evolution through a three-tiered analysis. On the first level Hoffman presents the evolution of actors that make up the firm's social environment—what is termed the "organizational field." This is accomplished through careful tracking of case law regarding environmental litigation, with an eye toward identifying and cataloging the actors involved. The second level of analysis tracks the evolution of the dominant industry perspectives and norms regarding environmentalism—the "dominant institutions" associated with each industry. Hoffman accomplishes this through the careful content analysis of the trade journals *Chemical Week* and *Oil and Gas Journal* over the period 1960–1993. The third and final level of the analysis addresses the following questions pertaining to the "internal structure and culture" of the corporate organization:

- How have the firm's environmental affairs been structured?
- How has it rewarded and promoted its employees?
- Who has been assigned particular responsibilities?
- Has the corporation established environmental goals, and were these goals supported by executive management?

Hoffman further scrutinizes these questions through the in-depth case study of a single firm—Amoco—which has both oil and chemical subsidiaries. These three levels correspond closely to constructs well established in institutional theory, including DiMaggio and Powell's notions of coercive, normative, and mimetic forces and Scott's "three pillars" of regulatory, normative, and cognitive institutions.

From this conceptual and empirical base, Hoffman identifies four distinct periods or "eras" of corporate environmentalism:

1. Industrial environmentalism (1960–1970): a focus on internal resolution of environmental problems as an adjunct to operations (cognitive, mimetic institutions).
2. Regulatory environmentalism (1970–1982): a focus on regulatory compliance with stringent new environmental laws imposed externally (regulatory, coercive institutions).
3. Environmentalism as social responsibility (1982–1988): a focus on pollution prevention and waste minimization driven externally by industry associations and voluntary initiatives (normative institutions).
4. Strategic environmentalism (1988–1993): a focus on top management and board-level integration of proactive environmental strategies (cognitive, mimetic institutions).

Thus, over the 33 years examined in this study, the environmental issue came full circle in companies: from an internally managed, cognitive institution of "dealing with a nuisance" in the 1960s; through various phases of external coercion and normative self-regulation; to the point where, in the 1990s, firms had largely internalized the logic of environmentalism as a proactive, strategic concern. External events, such as publication of *Silent Spring*, Bhopal, and the Exxon Valdez, drove the transition from one period to the next, with an expansion of the organizational field in each phase. For example, industry itself dominated the field in *industrial environmentalism*, whereas government became the key player in *regulatory environmentalism*. Industry associations and nonprofits became key driving forces in the period of *environmentalism as social responsibility*, whereas investors, insurance companies, and competitors appeared as important forces in *strategic environmentalism*.

With the establishment of a particular field configuration, institutional norms and rules became established, and isomorphism set in. But with the advent of a precipitating event, the field shifted, and the corresponding institutional structures were reset to reflect the political interests of the newly formed field. In effect, the field and its dominant institutions moved through stages of stability, punctuated by sudden and dramatic shifts in the institutional environment. Hoffman labels this phenomenon "dynamic isomorphism."

In the end, Hoffman concludes, whether shaped by explicit coercive pressure or through more implicit normative or cognitive pressures, the internal structure and culture of the firm are reflections of the dominant institutions of the organizational field. In setting strategy and structure, firms may choose action from a repertoire of possible options. But the range of that repertoire is bound by the rules, norms, and beliefs of the organizational field. This bounded range affects all member firms with a degree of uniformity so that, in initiating strategy, corporate executives may think that they are evolving autonomously when, in fact, they are following broadly universal trends.

This broad conclusion raises a number of interesting and provocative questions, some of which Hoffman addresses and some of which he does not. For example, if the institutional environment is the most important force in explaining firm behavior, why limit the study of these two industries to the institutional field of the United States? Wouldn't an understanding of the global context provide a richer argument for institutionalization?

More significantly, if strategy and structure are largely circumscribed by institutional fields, and organizational trends are not driven by individual cost structures and attempts at greater efficiency but by the social influence of external actors, why did the environmental behavior of the chemical and oil industries begin to diverge, as the data show, in the 1990s? Hoffman points out that both adopted virtually identical industry association environmental programs within a few years of each other as evidence of the institutional effect. Yet, later in the book he notes that, by 1990, "the proactive optimism of the chemical industry was not shared by the oil industry. Several fields began to compete with the oil industry's environmental institutions" (p. 168). Specifically, oil industry profitability, which had been riding high in the early 1980s, took a drastic nose dive in 1987 and dove again in 1990 with the passage of the Clean Air Act Amendments. With crude oil prices on the decline and new regulation (e.g., acid rain and global warming) on the rise, the oil industry became much less enthusiastic about environmental management.

The chemical industry, however, experienced steady profit pressure throughout the 1980s but began to recover in the late 1980s. Furthermore, possibilities for pollution prevention within the chemical industry were more apparent compared to the oil industry, where no significant possibilities existed for changing raw materials, product, or production processes without massive capital investment. As a consequence, the chemical industry pursued a much more positive, proactive path in the 1990s than did the oil industry, since for the former, environmental proaction was to some degree competency enhancing, whereas for the latter, it was largely competency destroying.

All of this suggests that, in fact, cost structure, technology, and strategy do make an important difference apart from the institutional setting, and, by Hoffman's own admission, the institutional history of corporate environmentalism is a product of the "*coevolution*" of institutions outside the firm and the structures and strategies inside the firm. In this light, it is regrettable that Hoffman does not highlight the differences between Amoco's oil and chemical operations a bit more in the case study. A more comparative case approach might have shed a bit more light on the differences in environmental strategy attributable to industry and organization. This also raises questions as to whether the oil and chemical industries provide a representative view of the evolution of corporate environmental management. If Hoffman had selected the automobile and electronics industries instead, would the same patterns have emerged?

Toward the end of the book, Hoffman points out that institutional theory would predict evolutionary changes to be championed by industry players through the existing set of actors in the organizational field, whereas more revolutionary changes would occur only as a result of confrontation from new actors from outside the field. Based upon this theory, he predicts that emerging notions about "sustainable development" will be defined in revolutionary terms for firms only if new actors external to industry emerge to define the institution. Yet, this theory does not seem to explain the firm-specific differences now characterizing the chemical and oil industries.

For example, why does Monsanto pursue an aggressive strategy of "sustainable development" through new biotechnology-based substitutes for chemicals, whereas Dow digs in to protect its position in commodity chemicals through pollution prevention? The former strategy is much more "revolutionary" in the sense that it changes the basis for competition, whereas the latter seeks a more "evolutionary" adaptation of existing industry structure. Does the institutional context drive these differences, or is this simply a matter of strategic choice, with one firm choosing the role of industry revolutionary? Again, a healthy mix of institutionalism and strategic choice would seem to be the watchword.