Lobbying the client - the role of policy intermediaries in corporate political activity

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Abstract:	Traditionally, CPA scholarship has either assumed away policy intermediaries completely, or depicted them as corporate mouthpieces. Meanwhile, research on policy intermediaries has portrayed actors such as think tanks, PR firms, and lobbying firms as far more active and self-interested. Our study investigates this puzzle by attending to the question: 'Whose political agenda is expressed by intermediaries during their lobbying on behalf of corporate clients?' By importing insights from

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	studies of policy intermediaries, and approaching the world of lobbyism qualitatively – delving deep into the 'how' and 'why' of corporate lobbyism using ethnographic field data and interviews with corporate lobbyists – we provide a different, more fine-grained picture of the lobbyist-client relationship, in which policy intermediaries shape, adapt, and even invent their clients' agendas. Our study contributes CPA scholarship by 1) providing an analytical distinction between the political agendas of corporate clients and those of their lobbyists, 2) bringing further detail and modification to Barley's (2010) theory of an institutional field of political influence and 3) identifying agency problems between client and lobbyist as a novel explanation for why financial profitability of CPA investments has been difficult to verify (cf. Hadani & Schuler, 2013). Moreover, the study brings further sophistication to a burgeoning literature of policy intermediaries (Drutman 2015, Walker 2014, Garsten & Sörbom 2018) by suggesting that lobbyists' own professional characteristics – such as length of political experience and strength of political convictions – influence how independently of their clients they dare to act.

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Introduction

Corporate influence on politics is great and continues to grow (Walker & Rea, 2014). In terms of lobbying expenditure, corporations spend more money than all other interest groups combined (Drutman, 2015). This expenditure is reflected in the increasing number of what we call policy intermediaries, organizations offering political services to corporations that want to influence policy. In recent times corporate political action committees (PACs), industry organizations, and law firms have been joined by think tanks, policy institutes, and public affairs consultancies (Walker, 2014), which have proliferated throughout the Western world (Garsten & Sörbom, 2017; Plehwe, 2014) and now form part of a veritable organizational field in its own right, devoted to secure corporate influence on politics (Barley, 2010). But even though we know that political intermediaries are more prevalent than ever, and that the range and sophistication of their services has increased (Walker & Rea, 2014), we have surprisingly little insight into the relationship between corporate clients and policy intermediaries.

In management and organization studies, corporate involvement in politics has primarily been addressed in the literature on corporate political activity (CPA), defined as 'any deliberate firm action intended to influence governmental policy or process' (Getz, 1997, p. 32-33). Traditionally, CPA literature has focused on focused on the relationship between two parties: the firm and government. By virtue of this focus, CPA scholarship makes implicit assumptions about policy intermediaries, either rendering them as mere mouthpieces for corporate clients or overlooking them altogether (cf. Shaffer, 1995). The theoretical absence of policy intermediaries in the relationship between corporations and government has been somewhat remedied by Barley (2010), who details their role as important players in an institutional field of interlocking relations. More specifically, he suggests that intermediaries work collectively like a megaphone to amplify the political claims of corporate clients and to shield their corporate clients from potential reputational

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risks associated with advocating in the public spotlight. But even in this theorization, the assumption of intermediaries as actors merely channeling corporate interests persists.

Meanwhile, another stream of research focuses more on the actions of intermediaries themselves. Such research typically depicts intermediaries as 'policy entrepreneurs', that is, skilled individuals who invest resources in advancing policy regardless of their organizational homestead (Kingdon, 2003; Mintrom & Norman, 2009). Drutman (2015), for example, emphasized the asymmetry of information between political intermediaries and corporate clients, arguing that lobbyists actually teach their corporate clients how to seek solutions through political activity. Further evidence of opportunism is offered in studies of the labor market for policy intermediaries, which find that both corporate in-house public affairs departments and external lobbyists are recruited from the same pool of professionals as political parties, government organizations, civil society organizations, and public administration (Svallfors, 2016a), and on the basis of political know-how (Parker, Parker, & Dabros, 2013; Svallfors, 2016b). In sum, recent studies cast policy intermediaries as more politically versed than the corporations that hire them, a finding that appears to contradict prevailing assumptions about intermediaries as passive conduits of corporate voice in the CPA literature. These alternative understandings motivate our study, guided by the following research question: *Whose political agenda is expressed by intermediaries during their lobbying on behalf of corporate clients?*

To respond to this question, we undertook a study of public affairs consultants working for corporate clients. Our study draws on data from two sources: 41 interviews with public affairs consultants based in Europe, and 21 days of ethnographic fieldwork conducted by the lead author, who shadowed public affairs consultants as they interacted with clients and other stakeholders during an annual, week-long political fair in Sweden for four consecutive years. Our findings show that while some lobbyists indeed act as

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mouthpieces who simply convey the preferences of corporate clients, there is substantial variation in the degree of discretion over the political agenda that consultants pursued in their work, and many of them described themselves as quite active, some even proactive, in taking political initiative and shaping their corporate clients' political agenda. Our analysis further suggests that the variability in lobbyists' discretion is grounded in the length and depth of their experience as political lobbyists, and in the strength of the policy preferences of the consultants themselves.

Our paper makes three main contributions to CPA theory. First, we contribute to the broader literature on CPA by providing an analytical distinction between the agendas of corporate clients and those of the policy intremediaries they hire. Second, by further elaborating the institutional field set out in Barley (2010), we show that the role of consultants is not only to amplify and shield corporate clients but also to actively shape and direct the clients' political agenda. Third, we suggest that this hitherto ignored dynamic between lobbyists and their clients might be an important clue to why the financial gain from CPA has been hard to verify (Hadani & Schuler, 2013; Mellahi, Frynas, Sun, & Siegel, 2016). Moreover, we contribute to the emerging stream of organizational studies of policy intermediaries (cf. Drutman, 2015; Garsten & Sörbom, 2018; Svallfors, 2017; Walker, 2014) by providing further evidence for, and detailing, its claims that lobbyists are self-interested, skilled actors furthering their own agendas. Finally, we suggest both theories of policy entrepreneurship and institutional theory as fruitful ways to strengthen research on CPA.

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In the following section we address the literatures on CPA and policy intermediaries. In doing so, we identify underlying assumptions about the relationship between corporate clients and their lobbyists in the CPA literature that are challenged by the literature on policy intermediaries. In turn, we outline our study to explore the role of intermediaries in the organizational field of political influence more broadly and justify our methods of

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data collection and analysis. We then present our findings, which focus on the complex and at times contradictory approaches that political consultants can take to their lobbying work. This leads to a discussion about the implications of these findings for our understanding of CPA and for organizational scholars who wish to study firms' attempts to affect their political environment.

CPA and policy intermediaries

Scholars have observed an increase in CPA since the 1980s (Drutman, 2015), which has been interpreted as an effort to manage regulatory risk, that is, the risk that a change in regulations will materially impact a firm or its industry (Hillman, Keim, & Schuler, 2004). Firms engage in CPA by providing 'political goods' such as information (e.g. lobbying), money (e.g. campaign donations), or voter support (e.g. constituency building) to political decision makers (Hall & Deardorff, 2006; Walker, 2009). The aim of these non-market strategies is to obtain favorable policy that complements market strategies and thus increases firm performance (Baron, 1995), building on a strong assumption that the main motivation for firms to engage in CPA is maximizing economic returns (Hillman et al., 2004; Lux, Crook, & Woehr, 2011; Oliver & Holzinger, 2008).

Consequently, CPA is most commonly conceptualized as a trade between corporations and political decision makers that is akin to a market of exchange, whereby corporations receive public policy favors in exchange for political goods (Bonardi, Hillman, & Keim, 2005). In this political market, it is the government that makes public policy decisions on the supply side. On the demand side are voters, interest groups, firms, political parties, other governmental agencies, and so on (Hillman & Keim, 1995). In other words, it is government that initiates political processes by providing regulatory impulses, to which it is up to interest groups, and businesses, to respond (Shaffer, 1995). Scholars have made substantial efforts to identify the variables that determine CPA success and so identify

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appropriate tactic selection for firms (Hillman & Hitt, 1999). These variables include the nature of the political issue, the salience of the political issue, the nature of the target, and the timing of the activity (Bonardi & Keim, 2005; Hadani & Schuler, 2013).

However, analyzing corporate political action as a two-party trade in policy favors has some limitations. First, policy development is complex and subject to multiple influences (Bonardi, Hillman & Schuler, 2005), of which corporations constitute only one among many vested interests that compete to gain policy makers' attention. Second, firms make efforts to mitigate reputational risks, which might affect consumer sentiment about the firm, for example, by outsourcing their political efforts in order to 'hide' such efforts from relevant stakeholders (den Hond, Rehbein, de Bakker & Lankveld, 2014). Moreover, and perhaps most worryingly, it has been hard to verify empirically whether CPA actually works to deliver economic gains to firms (Aggarwal, Meschke, & Wang, 2012; Hadani & Schuler, 2013; Mellahi et al., 2016). As an example, in their evaluation of the efficiency of a broad arsenal of CPA measures, Hadani and Schuler (2013) liken CPA investments to the vain search for El Dorado, the mythical city of lost gold, as they find that CPA is profitable only for firms in heavily regulated industries. In all other industries, they find that such investments either affect companies detrimentally or not at all. Their tentative explanation for this points to underlying agency problems between owners and managers: managers might underestimate financial risks involved with CPA (cf. Igan, Mishra, & Tressel, 2012), they may have personal ideological inclinations or have insufficient knowledge to evaluate CPA investments compared to other investments, and it might therefore be even more difficult for principals such as shareholders to assess such CPA measures.

These issues are paralleled with severe data limitations. In many jurisdictions, such as the EU and many European countries, reporting lobbying activity is still voluntary. In jurisdictions where lobbying is regulated, it is often captured by proxy using firm political

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expenditure (e.g. in the US, firms must make available half-yearly estimates of lobbying expenditures to comply with the Lobbying Disclosure Act, and in the UK, the Companies Act requires shareholder approval of political donations and expenditures). Combining the available data with a view of CPA as the trade of political goods for policy favors, the focus to date has been on deductive approaches and quantitative testing to determine whether firms' financial performance is positively related to their expenditures on lobbying (Lux et al., 2011; Ridge, Ingram, & Hill, 2017).

Together, this lack of reliable data and the focus on quantitative approaches is especially problematic with lobbying because the quality of information is likely to be variable. Knowledge of the specific nature of information exchanged is hampered by the fact that neither those who lobby nor the lobbied benefit from further disclosure. Where we do have a more detailed picture of the information exchanged, it has been in the aftermath of a corporate scandal, such as with the publication of the Enron email archive (Drutman & Hopkins, 2013) and the tobacco legacy documents (Fooks, Gilmore, Collin, Holden, & Lee, 2013), which are hard to generalize because of their extreme nature. Understanding how CPA 'works' in the everyday political environment therefore becomes problematic, as much of the activity itself is hidden from view, especially as it pertains to lobbyists, and it is necessary to draw conclusions from the limited data that is available (cf. Baumgartner, Berry, Hojnacki, Leech, & Kimball, 2009 for an exception).

Barley (2010) addressed some of these shortcomings with an alternative conceptualization of the political landscape and how corporate influence on politics is produced collectively. Drawing on institutional theory, Barley charts a nexus of actors that constitute an institutional field, that is 'a set of organizational populations and the relations that embed members of these populations into a social system or network with a purpose' (p. 780). In this field, devoted to corporate influence on political decision makers, there is a clear division of labor between various types of organizational actors:

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principals (corporations, peak organizations, associated foundations, political action committees), *agents* (public affairs offices, law and lobbying firms, public relations firms, think tanks, and ad hoc organizations), and their *targets* in the form of political representatives and civil servants as well as the media and citizens (Barley, 2010). The field is held together by constant flows of resources such as money (e.g. funding, donating, hiring other organizations in the field), information (e.g. lobbying, providing testimony to, sharing insights with other organizations in the field), and personnel (e.g. recruiting from, or providing recruits to, other organizations in the field), and it is 'structured to deliver messages along multiple channels using multiple voices' (Barley, 2010, p. 795).

Despite being more elaborate than standard CPA models (cf. Shaffer, 1995), the underlying assumption about the relationship between corporate clients and the agents they employ for their political efforts persists in Barley's (2010) model. Intermediaries play an important role as they i) amplify corporate messages to political decision makers through the coordination of communication across multiple channels and the use of multiple voices, and ii) shield corporate principals from easy identification by disguising whose interests are represented (e.g. in the case of law and lobbying firms) and lending scholarly legitimacy to political claims (e.g. in the case of think tanks). Nevertheless, the financial, informational and human resources that contribute to political influence primarily flow *from* the corporate organizations to the intermediary organizations, or *between* intermediary and government organizations (Barley, 2010, p. 794). That is, corporations conduct political activity through a network of intermediaries who give voice to the political agenda of their clients.

However, recent research on policy intermediaries outside the context of CPA suggests that the role of lobbyists is more complex. One important caveat – briefly mentioned but not elaborated by Barley (p.795) – concerns the distribution of expertise in the field, with

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political know-how in high demand in a labor market often characterized as a 'revolving door' (Parker et al., 2013). In fact, people frequently move between principal, agent, and target organizations in this institutional field of policy actors, and to a large extent they share methods and a general level of political know-how, regardless of organizational homestead (Svallfors, 2016a; Svallfors, 2016b). This means that the political expertise to initiate policy change is by no means limited to industry organizations and in-house public affairs offices. In many cases, intermediaries – from think tanks to lobbyists hired from PR firms – actually possess much more political savvy than corporations' public affairs departments. In such cases, the role of the hired lobbyist becomes more that of a teacher than a facilitator (Drutman, 2015).

A second caveat is that intermediaries might have distinct ideological agendas of their own. A recent ethnographic study of the political think tank World Economic Forum (WEF) found that even though the WEF was funded by global corporations, it was necessary to signal a form of independent knowledge-based expertise to be taken seriously in the political world (Garsten & Sörbom, 2014; Garsten & Sörbom, 2018). One way for the WEF to do this was to pursue its own agenda, borrowing social and economic capital from global corporations without mirroring their political interests. In addition, there might be opportunistic behavior such as efforts to shape clients' missions to the advantage of the lobbying firm. Intermediaries have strong incentives to portray their job as very important in order to justify their own existence and business, and to gravitate toward economically powerful and/or politically inept clients, which may result in a skewed distribution of attention to issues that are easily billable or important to lobbyists themselves (Kersh, 2000; Lowery & Marchetti, 2012; Stephenson & Jackson, 2010).

In sum, these caveats raise questions about the actual capacity of corporations to orchestrate political activity through intermediaries. While the relationship between corporations and their lobbyists is largely under-theorized in classic CPA literature, an

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emergent stream of research portrays policy intermediaries in a more active and opportunistic manner, as a politically driven, entrepreneurial class of professionals, valued for its political know-how, and whose employment conditions often are adapted to fit their own political agendas instead of the other way around. Together with a lack of empirical studies qualitatively exploring the relationship between intermediaries and corporate their clients, these contradictory findings mean that it is more difficult than ever to discern who is actually acting in what capacity, and they lead us to the research question we pursue in the study: *Whose political agenda is expressed by intermediaries during their lobbying on behalf of corporate clients?*

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Data and methods

Our study examines relationships between policy intermediaries and their corporate clients by investigating the political initiative taken in lobbying missions. To this end, we conducted an in-depth study of public affairs consultants based in Europe. Public affairs consultants closely resemble the prototypical intermediary assumed in the CPA literature because they work closely with corporate clients and are paid directly to carry out missions that aim to influence policy in ways that are favorable to the firm. The most common background for public affairs consultants is either as an elected politician or as a political staffer (Lazarus, McKay, & Herbel, 2013; Svallfors, 2016a) which allows them to serve corporate clients by connecting directly to political contacts in lobbying projects or indirectly through corporate advocacy campaigns. Moreover, the growth of public affairs that has been documented not only in the US (Walker, 2014) but also in the UK (Miller & Dinan, 2000), Norway (Allern, 1997), and Sweden (Tyllström, 2013), parallels the overall expansion in CPA since the 1980s. In these and other European countries, markets for public affairs consulting have emerged in tandem with large-scale privatization of the public sector and a generalized trend towards 'American' pluralism

in what used to be more corporatist welfare states, where corporate political interests were channeled through a number of state-corporatist arrangements (Naurin, 2007).

Data Collection

The study consisted of interviews with public affairs consultants as well as participant observations of their work. In order to find public affairs consultants who worked with corporate clients, we initially identified public relations and public affairs firms through industry organizations and official lobbying registers. We subsequently constructed lists of the consultants working at these firms based on the information displayed on their websites. In order to guard against any potential selection bias among respondents, we deliberately took care to maintain a variety in gender, age, experience, and political affiliation in the construction of a sample of consultants. Consultants in our selected sample were contacted via email with interview requests. The positive response rate from our interview requests was high, in excess of 90%. A total of 41 interviews were conducted with 37 consultants actively working in public affairs. While Table 1 provides an overview of all the materials, Table 2 describes the respondents in the study, including gender, age, whether they had prior political experience and for how many years, how many years of experience as a public affairs consultant, and their stated political affiliation (if any).

[Table 1. Overview of empirical data]

[Table 2. Respondent characteristics]

Interviews lasted for 1-1.5 hours and were conducted by the lead author and two research assistants. Transcripts of the recorded interviews run to 536 pages. Interviews covered how consultants came up with ideas for client missions, how they engaged with corporate

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clients, and how they handled their own individual political commitment if they had any. In order to get a better understanding of lobbying in practice, the interviews were supplemented with an observation study, consisting of 21 days of ethnographic fieldwork over a period of four years, conducted by the lead author at the Politicians' Week in Almedalen, Sweden, an annual week-long political fair attended by politicians, civil society and corporate representatives, academics, lobbyists, and the general public. The nature of public affairs consultancy work, with routine non-disclosure policies vis-à-vis their clients, made a traditional ethnographic setting in one organization close to impossible, but the Almedalen Week offered a setting highly conducive to so-called field-level ethnography (cf. Zilber, 2007), that is, ethnography at events that gather many crucial actors in the same field of activity. This context provided a more accessible setting, where the researcher could come into contact with the culture and methods of the field of lobbying, as much lobbying was going on both during formal events and behind the scenes. Fieldwork methods consisted of shadowing a senior public affairs consultant (cf. Czarniawska, 2007) as well as participant observation (Spradley, 1980), which included attending and performing simple tasks at meetings with clients and third parties. Field notes from the 21 days of observation total 150 pages.

Data Analysis

Our research question calls for an investigative approach to the analysis of the empirical material. In analyzing the data from interviews and fieldwork, our approach can best be described as abductive, iterating between observations and theory continuously during the process of analysis, retaining an open and reflexive approach to both data and prior research as we position ourselves as 'neither theoretical atheists nor avowed monotheists' (cf. Timmermans & Tavory, 2012, p. 169) but rather 'informed theoretical agnostics'. In concrete terms, we followed the principles of thematic analysis stipulated by Braun and Clarke (2006), and the analysis process was carried out in five distinct stages. In the first

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stage, we familiarized ourselves with the data by carefully reading through all of the interview transcripts and field notes. We identified sections of the material that were specifically relevant to our research question, motivating us to further investigate how consultants discussed relationships with their corporate clients in subsequent stages of the analysis.

In the second stage we carried out a primary round of coding. Using CAQDAS nVivo, we identified instances where respondents described attitudes towards their clients and the client relationship, including whether they took their own initiative on policy angles, whether they had to go against their own personal political convictions and how they reasoned about this, and how they reported their inspiration for new policy ideas. We identified instances where public affairs consultants made a distinction between their own policy preferences and those of their clients, what this distinction entailed, and how this was handled. This primary round of coding resulted in 15 first-order codes adhering faithfully to our respondents' own wordings and formulations (cf. Gioia, Corley, & Hamilton, 2013).

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In the third stage we searched for themes emerging from the data by collating the first-order codes into broader groups of meaning. Quotes seemed to primarily belong to one of three types, either describing activities and practices that lobbyists carried out on behalf of their clients, their own opinions, or general attitudes about the client-lobbyist relationship, for example, 'I never do something that my client wouldn't want' or 'clients are politically naïve'. Through this process we also started to see that such descriptions of practices, opinions, and stances could be grouped into a more limited number of themes, each describing various attitudes that lobbyists can have to political initiative and the client-lobbyist relationship.

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In the fourth stage we reviewed our provisional themes in relation to our data and extant literature. Going back and forth between our quotes and prior research, we expanded and collapsed the number of provisional themes until we exhausted the coverage of our empirical material, eventually finalizing six second-order themes, which we called *approaches.* The material also included instances where the same consultant would take different approaches, or combine several approaches in the same mission, depending on the situation.

In the fifth and final stage of analysis, we analyzed how the six second-order themes related to each other. Returning to the literature, we noted that the approaches varied substantially in terms of expression of personal agendas, in turn reflecting how independent respondents portrayed themselves to be vis-à-vis their clients. While some approaches were consistent with assumptions in the CPA literature, others were more similar to the more opportunistic emphasis in the literature on policy intermediaries, with some in between. This final stage of analysis also involved grouping the six approaches into three superordinate categories, or *stances*, which aggregate the similarities and differences in the different types of consultant-client relationships, arranged along an axis of varying degrees of ideological independence on the part of the consultant. These three stances and their six subcategories thus constitute the central themes in our findings. Following Gioia et al. (2013), our data structure is illustrated in Figure 1.

[Figure 1. Data and coding structure]

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Findings

We present the findings in terms of how we categorized these approaches on this broader spectrum: 1) ideological passivity, 2) ideological reactivity, and 3) ideological proactivity. In turn, this illuminates our broader theme of ideological attachment.

Ideological passivity

There were two approaches that we categorized as ideological passivity, which we termed channeling and detaching. *Channeling* most closely resembles the theoretically inferred role of agent intermediaries as passive vessels for corporate will, whereby consultants would only act to influence the policy process with a brief from a corporate client. Such an approach was articulated by only one respondent, Olof: 'I always act on someone's commission. I don't interact with my political contacts in any kind of policy influencing purpose unless a company wants me to do it. That's very important.' As if to emphasize his view of his role as channeling corporate demands, he attributed his view to perceived corporate demands: '[Clients] might not want that. … I never act on my own initiative.'

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We also identified a slightly more reflexive version of ideological passivity which we categorized as *detaching*. Detaching describes instances where professional consultants admitted to having their own political views, which might not align with their clients' views, which they consciously suppressed in recognition that the views of the client came first. Different reasons were offered for detaching. Some respondents, such as Nicholas, referred to their own weakly held convictions on certain political issues: 'I have been involved in a lobbying partnership where I've played the devil's advocate and I've not really sympathized with their agenda. [...] [The issue] was not that important to me.' Similarly, Charlotta indicated that this was part of the job: 'Most of the things I work for as a consultant are things I wouldn't vote for as an MP.' In both channeling and detaching approaches, the ideological passivity of consultants resembled the relationship between

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corporate clients and intermediaries assumed in mainstream CPA, as political initiative is taken by the client firm, and the lobbyist executes these wishes.

Ideological reactivity

But many consultants conceived of their role as political protagonists, with unique skills that corporate clients valued, rather than purely being passive agents. In the stance that we call ideological reactivity, grouping the two approaches of aligning and selecting, consultants took as their departure point the requests from corporate clients and filtered them through their own convictions before taking action. *Aligning* involved steering and translating instructions from corporate clients so that they came to be aligned with the political goals of the consultant. Again, respondents offered reasons for such an approach, the most common being that 'the companies are pretty naïve,' in the words of Susanne. Aligning occurs because intermediaries can exploit an information asymmetry with corporate clients, who often know what they want in terms of policy outcomes but do not know how these can be achieved. In the words of Eric, 'Our experience is that even very well-merited and skilled and qualified corporate leaders have a very weak grasp of how society is organized and how political decision making happens.' Respondents such as Fredrika reportedly exploited this information asymmetry to infuse their work with issues that they themselves cared about. Fredrika described an instance when she insisted on keeping a certain 'sharp' formulation in a text, which her colleagues did not think the clients would approve of: 'It was my young heart that pushed that question. I do not think I would have been that firm [in stating my case] if I had not cared so deeply.' With aligning, the interests of corporate clients were filtered by policy intermediaries into the pursuit of the intermediaries' own political preferences.

Another form of ideological reactivity, which we termed *selecting*, involved drawing ideological boundaries around positions that the consultants would support. Numerous

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individual consultants provided examples of specific industries (e.g. weapons manufacturing, tobacco), political bodies (e.g. an employer association, a specific foreign government), and causes (e.g. palm oil, human trafficking, bribery) where they had exercised a right of veto on the basis that 'I don't want to work for these people' (Jochen). As the list suggests, this could relate to ethical qualms of the consultant. Some respondents reported that this selecting was also done on a collective level, within their firms. This was illustrated well in a response from Tim, a managing partner at a PR firm: 'We've had staff meetings where we agreed that there are a number of areas that we certainly would not go into. We wouldn't promote alcohol, we wouldn't promote the use of sugar, and we would try to avoid pharmaceuticals as well.'

Ideological proactivity

We also found a similar and yet distinct set of approaches in what we termed *ideological proactivity*. Compared to prevailing assumptions about the relationship between corporate clients and agent intermediaries in CPA, these approaches suggest that lobbyists are chiefly political operatives who seek to influence the political agenda outside the confines of the discipline imposed by political parties. Rather than a concern with advancing the ideological interests of clients, ideological proactivity indicated interviewees' acknowledgment of the primacy of their own policy preferences in their attempts to influence decision makers. For these consultants, who engaged in what we termed pitching and politicking, the policy preferences of corporate clients were incidental to their work.

Ideologically proactive consultants indicated that they deliberately inverted the client-lobbyist relationship: instead of translating client instructions into their own agenda (as in aligning, above), such inversion of the lobbying process involved consultants'

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autonomously initiating and pursuing lobbying projects based on their own agendas. One proactive approach involved what we termed *pitching*, whereby consultants identified an issue that they deemed to be politically significant and then searched for a suitable angle for potential clients. For example, Jens explained how his own political conviction meant that he and his consultancy identified a potential issue – a political proposal of putting ethanol pumps in all gas stations in his country – *before* he found clients to stop it: 'All relevant authorities thought this [proposal] was stupid, it was cost-inefficient and only for show. We were looking for someone who wanted to do something about this, and then we found this industry association for petroleum providers.'

One of the vignettes in the ethnographic study illustrates this pitching approach particularly well, when Magnus described how he actively put together a lobbying strategy concerning a specific issue before he obtained a client: 'We were working for two or three years before we found the client. I was so persistent, kept nagging, and then finally I got the job.' Pressed on why, he responded at length, citing previous success:

> Because I feel for this issue! I believe that the lack of scientific knowledge is a crucial deficiency for our country. And that too few people realize this. With digital TV it was the same. For a long time I had a general feeling of 'something is going to happen soon'. Then I heard that a decision was taken by the parliament to appoint a state commission to administer the transformation of broadcasting from analogue to digital. So I called that new commission. If you ask the first director general of that commission, he would describe the course of events like this: he got a room and a desk with a phone on it, and on the first day at work, that phone rang and it was me saying, 'Hi, I'm calling from PR Agency X. Could I do this for you?' Then I explained what I had in mind.

At the time of observation, the client organization had just been dissolved, and Magnus was seeking a new client to pay for the firm's continued lobbying on the issue. When the researcher asked Magnus if he often comes up with ideas for political campaigns before he has a client, Magnus looked startled and answered: 'Why, yes – *all* the time!' In his newest project, he and his consultancy partner nurtured a plan to reform the Swedish

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general pension fund system, providing a technical solution where less money would be lost in brokerage fees and more money could go into the funds.

> *Magnus*: It's awful right now! I mean, this is our money they're taking! Horrendous! It is a bit of a secret I guess, but we're sketching out a system where you'd have maybe three fund options – one a little more risky, and one that follows the stock market index etcetera. Actually, that would be a bit of a return to the old system, which was much better.
>
> *Researcher*: But this sounds like a big project?
>
> *Magnus*: Yes, it's huge! The ideal would be if we could find a consortium. We have some contacts with one of the large mutual funds, they might be interested.

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Magnus' pitches often stem from a combination of personal ideological attachment, a crude calculation of an issue's political feasibility, and business intuition. He explained how he often keeps track of regulatory changes in various policy areas that he is personally interested in, like youth science education or digitalization of state television broadcasting.

Politicking was the most proactive of the approaches that we identified in the data. Consultants taking a politicking approach expressed that they deliberately moved into the public affairs industry in order to increase their capacity to achieve their policy preferences. Senior consultant Ingvar, a long-time member of one of the largest parties in Sweden, described how a politicking strategy in his public affairs work allowed him to deviate from the strict party program, working against his old party's official policy in a matter about aviation taxes, in a mission paid by an airline: 'That was an unusually stupid proposal and they [the party management] know it. If they want to do something about the environmental impact of aviation, there are better ways to do it'.

In short, politicking consultants reported that public affairs consultancy was a superior route to a formal mandate for influencing politics compared to the formal democratic process, which was deemed too slow. Two agency founders in our sample, Mats and Nils, reported seeing their firms as primarily political projects. For Mats, who founded his agency decades ago, choosing a for-profit organizational form was a part of the political quest of promoting free business and business-friendly reforms in a society where most political influencing happened through corporatist dialogue between labor unions, industry organizations, and organized civil society: 'I wanted to start a business! That was my political calling, so to speak. […] I always thought it would be fun to have a corporation, it wasn't that common back in those days.' Through the formation of the business itself, Mats established the vehicle through which he bought into the political process and pursued his political ambitions.

On the other side of the political spectrum, Nils also reported a political motive for founding his own agency. He had previously been a local representative for a left-wing party, and right after leaving politics he moved into a position as an employed public affairs consultant since he felt that, as an employed consultant, too much of the profit went to the owners of that consultancy. Starting his own consultancy allowed him to channel his profit towards pro-bono missions, according to a sort of Robin Hood-inspired redistributive principle:

> When things go well for us economically, in this company I am working in now, then I know that we will be able to do more exciting things and have a lot of sway to decide what we want to do with that economic space. We spend a large part of [our revenues] on helping those who cannot afford to pay for themselves and that's another way to fund and administer a political commitment. […] I see it more like I'm a consultant because I want to be part of contributing to something I believe in.

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For politicking lobbyists, the appeal of public affairs was to be on the edges of the formal political process, with the capacity to try to influence the agenda without the constraints of party discipline. Politicking was then a way to exploit their knowledge of the political process and the limitations of formal political parties to pursue careers as political operatives, albeit from outside of the formal political realm. Such political operatives reverse the relationship that classical CPA predicts – clients are far from rational actors calling the shots; instead, they are primarily useful as sponsors of the realization of consultants' political ambitions.

Factors influencing the ideological stance of policy intermediaries

In this section we develop a broader explanation for the different approaches and stances described above, as well as their implications. In doing so, we focus first on the factors that seemingly mediate the choice of stance taken, and which both have to do with the consultant; the amount of experience as a consultant, and the degree of personal attachment to own political views. We have summarized these relationships in a diagram, Figure 2.

First, the extent to which consultants opt for passive, reactive, or proactive approaches appears associated with their lobbying experience, expressed as years in the consulting industry, depicted as the x-axis in Figure 2. Although there was a variety in the experience of consultants who described their work in terms of passive approaches, the more opportunistic approaches that we have identified as reactive and proactive were the exclusive domain of experienced, senior consultants. Consultants who took these more opportunistic approaches explained that their approach reflected their experience. Nicholas, for example, described a transition away from the more passive approaches of his earlier years, towards a more active selecting approach as he has gained experience:

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> I am more inclined to change the client nowadays. […] If Coca-Cola comes to me and says: I want you to help us stop the sugar tax, then my first reaction would be, 'Why don't you want a sugar tax?' 'Well, it's bad for our business…,' [they'd say]. 'Well, but do you have an interest in increasing obesity in children?' If they say no, then I will potentially try another time. But I have turned down clients like that. I am more like that now, that I try to make them change their minds.

A second factor to influence the choice of stance was the consultants' attachment to their own political convictions, depicted as the y-axis in Figure 2. Consultants who referred to taking a passive approach as a corporate mouthpiece mentioned ambivalence about their political convictions, whereas reactive and proactive approaches involved efforts to align or steer the political agenda of clients into line with consultants' own convictions. There is, of course, a situational element to this: having strong political convictions is not a problem for clients when the political agenda of the lobbyist is consistent with that of the clients. Some individuals with clear political profiles asserted that their track records had clear signaling effects: their political views were so well known to employers and clients alike that certain clients or issues were repelled automatically. For example, Jens, simply stated that his firm's 'environmentally friendly' position in the market naturally prevented certain types of clients from contacting them: 'A pharmaceutical company would never call us.' Much of the matching between corporations' and intermediaries' political agendas was hence resolved through the market for public affairs as the political branding of individual consultants and consultant firms enabled corporate clients to identify politically reliable matches for their own agenda. But as our data shows, the strength of consultants' political convictions was also important in cases where corporations had only vague pictures of what they wanted to achieve politically, or no clear agenda. In these cases, the likelihood of consultants opting for a more active stance, steering client agendas in pursuit of their own strongly held convictions, is higher. (Curiously enough, the consultants' level of activity does not seem to be affected by their political color or homestead as much as their experience and attachment.)

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[Figure 2. Factors influencing the ideological stance of policy intermediaries]

The finding that individual lobbyists' experience and attachment affect how ideologically active they are in the client-lobbyist relationship is significant for advancing our understanding of CPA. That consultants with more experience and expertise were more likely to pursue their own political agenda, rather than fall into line with the agenda of their corporate clients, runs counter to the assumptions about lobbyists as corporate mouthpieces that prevail in the CPA literature.

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Discussion: why lobbyists' agendas matter

Traditionally, CPA scholarship has either assumed away policy intermediaries completely or cast them as corporate mouthpieces. Meanwhile, research on policy intermediaries has portrayed them as opportunistic actors, far from passive agents. Our study has investigated this puzzle by attending to the question: 'Whose political agenda is expressed by intermediaries during their lobbying on behalf of corporate clients?' By importing insights from studies of policy intermediaries and approaching the world of lobbyism qualitatively – delving deep into the 'how' and 'why' of corporate lobbyism using interview data with corporate lobbyists – we provide a different, more fine-grained picture of the lobbyist-client relationship, depicting policy intermediaries as actors that shape, adapt, and even invent agendas.

Our findings make several contributions to CPA literature. First of all, we provide an analytical distinction between the political agendas of intermediaries and those of their corporate clients. In contrast to standard assumptions about intermediaries as non-existent, or as mere executors of client firms' political preferences (cf. Shaffer, 1995), our

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findings suggest that from only acting as passive corporate mouthpieces, they often influence the content and outcome of corporate lobbying missions. They do so by taking either ideologically reactive or proactive stances towards their client relationships, adjusting the client's political agenda pursued in interactions with political decision makers, or altogether shaping it from scratch, so that clients 'buy into' the intermediaries' own political projects. Our contributions are summarized in Figure 3, illustrating the important role that intermediaries such as lobbyists play in filtering, influencing and shaping corporate messages to political decision makers.

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[Figure 3. The role of policy intermediaries in CPA]

More specifically, our study speaks to the CPA theories acknowledging the existence of lobbyists. As Barley (2010) sets out, intermediaries play a role in amplifying political messages and shielding corporations from negative publicity. Our study concurs with, and builds on, this theoretical statement but offers some amendments: while corporate lobbyists certainly amplify and shield, they do more than that; they make up the very origin of corporate political messages. In concrete terms, this means that the arrows indicating the direction of flows of resources in the institutional field of political influence are at least partially reversed; while in Barley's model (Barley, 2010, p. 794) resources like funding, lobbying efforts, and information flow *from* corporations to intermediaries and then to target populations like political systems and the media, our findings open the possibility of a reversal of such flows.

Figure 3 clearly shows how the principal-agent relationship assumed by CPA theory is inverted, questioning the role assignments of both principal and agent: much political initiative and content actually come from agents, as they attempt to influence client

missions in directions that corporate principals would never have suggested themselves. Agents also develop pitches for corporate engagement in policy issues that the principals were unaware of until the consultants contacted them. It is clear these lobbying agents display 'principal-like' behavior and that, in certain cases, they actually seek out and lobby their clients – not the other way around.

This inverted role distribution between agent and principal is especially relevant considering the lack of evidence that CPA actually pays off (cf. Aggarwal et al., 2012; Baumgartner et al., 2009; Hadani & Schuler, 2013; Mellahi et al., 2016). Earlier explanations for this empirical ambivalence have mainly focused on agency problems between owner and management; for instance, Hadani & Schuler (2013) proposed that managers' implicit and explicit ideological biases may account for the lack of benefit to the principal. Here, our findings point to another, hitherto ignored, type of potential agency problem: the agency of politically savvy lobbyists, with economic and ideological interests that may or may not coincide with their clients' (cf. Kersh, 2000; Lowery & Marchetti, 2012; Stephenson & Jackson, 2010), and whose services might be difficult for both corporate boards and managers to evaluate due to considerable information asymmetries.

Finally, our findings speak to earlier studies of policy intermediaries. Largely confirming the picture of lobbyists as knowledgeable and self-interested actors (Drutman, 2015; Svallfors, 2016b; Walker, 2014), we also enrich this emerging stream of literature by adding nuance and detail: we show that there is considerable variation in how much the client-lobbyist relationship is influenced by the lobbyists' own agenda, and we also suggest factors influencing what type of relationship will develop. The length of lobbyists' experience as well as the strength of their own political engagement seem to indicate more active approaches on the part of lobbyists, making them more likely to meddle in order to shape and steer the nature of clients' political missions. In this sense,

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our study details Drutman's (2015) argument that intermediaries de-facto act as teachers, by showing how lobbyists' political influence and knowledge also produces feedback loops that *teach* firms to find problems and solutions through CPA (see Figure 3).

Alternative theoretical lenses

We see the potential to further develop our findings by advancing scholarship in organization studies and CPA. One way to explore this puzzle further would be to analyze the lobbyist-client relationship through the theoretical lens of policy entrepreneurship. This literature offers an alternative way to understand the micro-dynamics of, and motivations behind, lobbying activity. A concept developed in political science, policy entrepreneurs are defined as 'advocates who are willing to invest their resources – time, energy, reputation, money – to promote a position in return for anticipated future gain in the form of material, purposive or solidary benefits' (Kingdon, 2003, p. 179). While roles between principals and agents in classical CPA theory are fixed, a policy entrepreneur may have different organizational homesteads across the whole organizational field of CPA (Béland & Cox, 2016; Cohen, 2012; Mintrom, 1997). They might be politicians, corporate managers, leaders of interest groups, or merely unofficial spokespeople for particular causes. According to this actor-oriented perspective, the political drive of intermediaries, in this case lobbyists, is so strong that they might even invent problems to which their pet policy proposals are solutions and persuade corporate clients to pay, in a manner that resembles the findings in our study.

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Another way to advance the discussion of our findings would be to turn to institutional theory. While CPA is a firm-level theory, institutional theory has long been occupied with the 'big' institutions at the societal level, and with wider and longer processes of societal change. Such a view is highly compatible with the field-level dynamics we have tried to

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elaborate on in this paper, through which corporations interact with political decision makers. More specifically, it is compatible with how corporate political agendas take shape through interactions with intermediaries. New institutionalism posits expectations stemming from societal norms as an important driver of firm behavior (Meyer & Rowan, 1977). Firms that want to be seen as legitimate therefore need to comply with what is commonly regarded as accepted by an extended external environment including competitors, clients, and regulators (DiMaggio & Powell, 1983). By complying with such institutional expectations, be they manifested in 'hard' legal regulation or 'softer' cultural norms, organizations obtain resources that may not be explicable by a short-term economic perspective, but rather in a broader institutional frame of long-term survival.

For why would managers keep on buying services whose value they do not have the knowledge to assess, and which seem to have only equivocal financial benefit? In our case, an institutional explanation would focus on how the employment of policy intermediaries has become an institutionalized norm and a prerequisite for acquiring corporate legitimacy in contemporary society. In other words, once firms start viewing hiring lobbyists as a generally accepted way to engage with problems in the external environment, managers will hire more external lobbyists, who in turn will come up with more reasons to engage in CPA (cf. Getz, 1997; Mizruchi, 1992). Such an institutional perspective could provide a powerful explanatory framework to explain why policy intermediaries are increasingly prevalent in CPA despite potentially differing policy agendas, and despite that short-term profitability has been hard to verify. In sum, an institutional analysis would challenge the dominant view of CPA as a two-way trade in policy favors between corporations and government, as well as the limited view of CPA as the pursuit of economic ends by political means as in the standard CPA model (Hillman et al., 2004; Lux et al., 2011; Oliver & Holzinger, 2008).

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Limitations and ways forward

Like all studies, ours is not without limitations. Since our empirical focus has been on how lobbyists approach the client relationship, there is a general risk of over-emphasizing their significance. Corporate clients definitely differ in their political skills and; it is likely to assume that clients' own abilities might affect how client-lobbyist relationships develop and the size of the potential information asymmetries that may arise in them. Further empirical investigation into the role of clients' abilities to purchase and evaluate lobbyists' services is needed.

Neither do we analyze here how the work of lobbyists might differ depending on the cultural and institutional contingencies of the political system in which the lobbying takes place. As earlier research has stated, there are vast cultural and historical differences in institutional contingencies and also in organizational characteristics (Mahoney, 2008; Tyllström, 2013; Woll, 2006, 2012). In the US, there is a more established and elaborate network of PACs, foundations, think tanks, and lobbying firms, and the possibilities of corporate financial contributions to politicians provide a very different landscape than the European one, which is younger, still in transition, and contains a lot of cultural variation with strong histories of multi-party parliaments. However, as Barley (2010) notes, corporations' interest in influencing policy, as well as the tendency for fields to emerge around corporate political influence, is a transnational phenomenon on the rise. The above analytical distinction renders these issues as an empirical question to be investigated.

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Concluding remarks and practical implications

In this study, we have shown that policy intermediaries are far from always passive conduits through which corporations engage in political maneuver. Instead, we have argued that they are an unusually active type of agent, who due to their heightened political know-how, experience and commitment both create and take advantage of

information asymmetries in the organizational field of corporate political influence, and who consequently can display 'principal-like' behavior in relationship to their clients. In our study, we have found that intermediaries often are lobbying their clients to lobby on politicians, instead of the other way around.

If this is true, it has several implications for the world of practice. First, it might influence how we see corporations. Rather than economically rational firms scanning the political environment for regulatory risks that could impinge on their operations, our study suggests that firms are worse political operators than CPA assumptions stipulate, and their perceptions of regulatory risks are largely constructed by lobbyists working outside the corporate hierarchy. Moreover, we argue that the dynamic between client and lobbyist has tangible consequences for how corporations perceive political reality, and so how corporations allocate their attention and resources.

Also, the importance of intermediaries' actions should not be under-estimated when analyzing political outcomes: intermediaries have the potential of making a vast difference for policy, either causing harm or improving governance in the systems in which they act. The macro-level influence of hired lobbyists and other policy intermediaries over corporate political agendas remain to be assessed, and we suggest that further substantive studies of both qualitative and quantitative kind ought to be undertaken to further investigate the scope of this phenomenon. By providing a better understanding of interactions between corporations and intermediaries, and showing how these interactions might escalate into political advocacy with unclear senders, organizational researchers have the opportunity to produce pivotal insights into the process of how corporate expenditure on politics translates – or doesn't translate – into influence. For one thing seems certain: corporations will not cease to search for their El Dorado through corporate political activities – and neither will their lobbyists.

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Table 1. Overview of empirical data

Interviews with public affairs consultants, number	41	
Number of respondents	37	
women/men	9/28	32%/68%
of whom have a political background	30	81%
of whom have a leftist/conservative background	10/20	33%/67%
Number of represented public affairs consultancies	21	
Number of pages, interview transcripts	536	
Ethnographic observation, days	21	
Number of pages, field notes	150	

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Table 2. Respondent characteristics

Respondent no	Gender	Age at time of first interview	Years of political experience	Years of PR experience	Political affiliation	Code name	Repeated interviews
1	Male	39	5	2	Right-wing		
2	Male	34	6	3	Right-wing		
3	Male	46	3	25	Right-wing		Yes
4	Male	39	4	9	Right-wing		
5	Male	40	10	10	Right-wing		
6	Male	64	11	6	Left-wing	Ingvar	
7	Male	36	17	3	Left-wing		
8	Female	30	1	2	Right-wing	Fredrika	Yes
9	Female	34	6	1	Right-wing	Susanne	
10	Female	42	2	8	Right-wing		
11	Male	48	8	12	Right-wing		
12	Female	34	11	4	Left-wing	Charlotta	
13	Male	31	2	4	Left-wing		
14	Male	36	5	9	Right-wing		
15	Male	60	6	22	Left-wing	Eric	
16	Male	41	3	11	Right-wing	Olof	
17	Female	28	0	3	n/a		
18	Female	31	9	5	Right-wing		
19	Male	35	0	7	n/a		
20	Male	35	5	4	Left-wing	Jens	
21	Male	42	6	9	Right-wing		
22	Male	44	0	15	n/a		
23	Male	34	2	8	Right-wing		Yes
24	Male	64	2	40	Right-wing	Mats	
25	Male	36	0	12	n/a		
26	Male	36	12	5	Right-wing		
27	Male	40	7	11	Right-wing	Jochen	
28	Male	42	6	15	Right-wing		
29	Male	38	17	5	Left-wing	Nicholas	Yes
30	Female	28	4	2	Left-wing		
31	Female	38	2	10	Right-wing		
32	Male	59	0	10	n/a	Magnus	
33	Male	69	12	19	Right-wing		
34	Male	34	0	7	Left-wing	Nils	
35	Male	74	29	5	Left-wing	Tim	
36	Female	35	3	5	Right-wing		
37	Male	49	0	11	n/a		

Figure 1. Data and coding structure

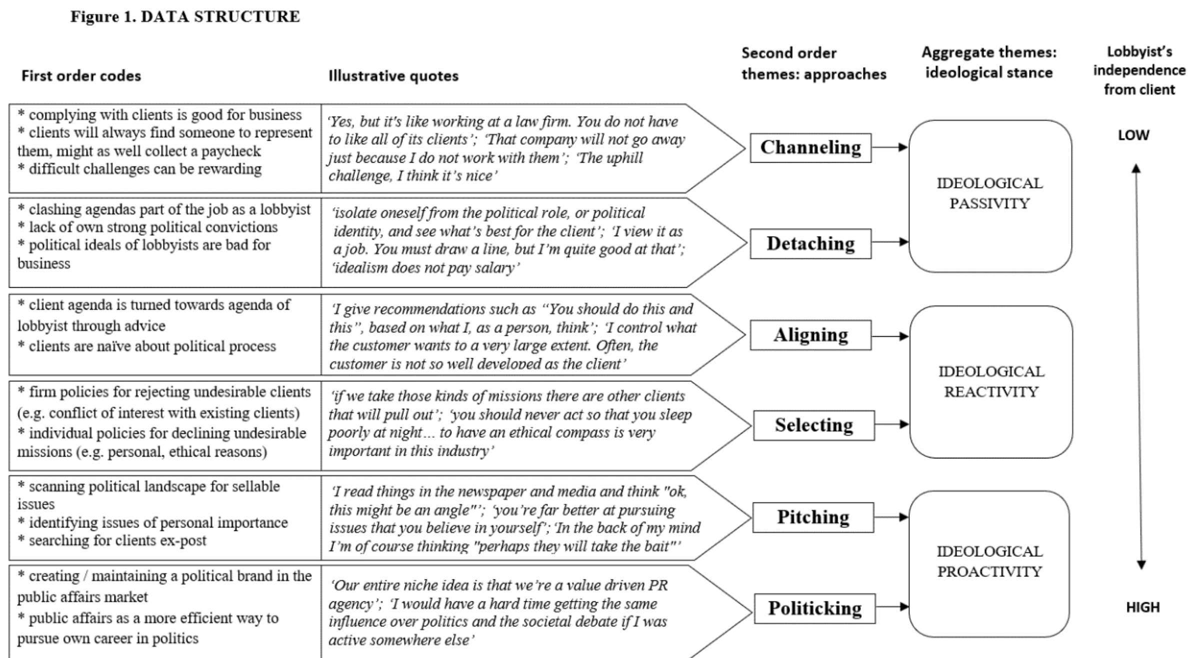

Figure 2. Factors influencing the ideological stance of policy intermediaries

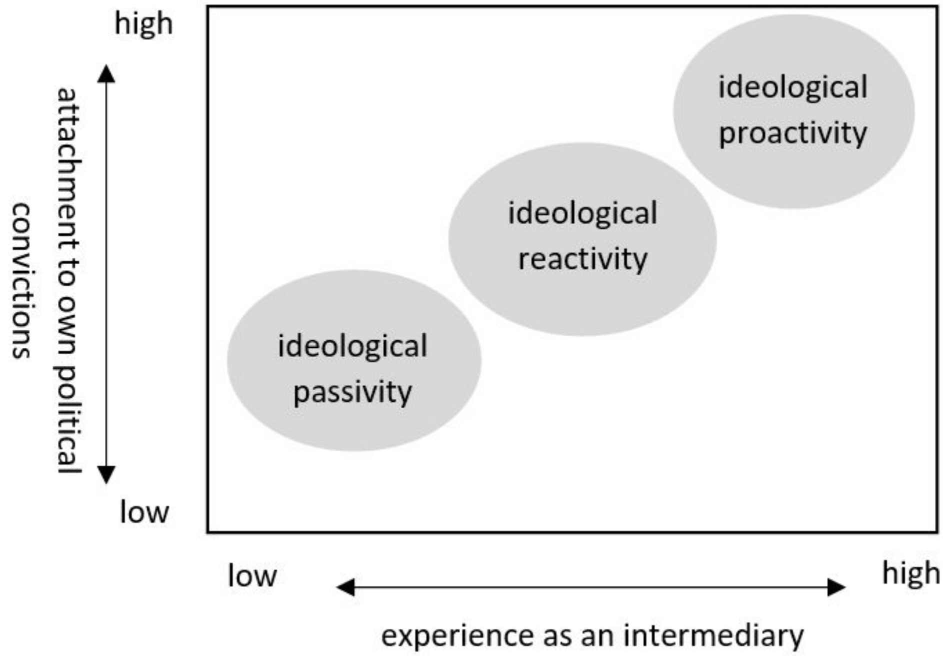

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Figure 3. The role of policy intermediaries in CPA