

Political Theories and Corporate Governance Impact upon Political Efficacy and Energy:

Application Component for KAM7

Tony E. Hansen

Walden University:

School of Public Policy and Administration

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Mentor: Richard Worch

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Application Abstract

This section discusses potential research projects that could be carried out in an attempt to answer the specific questions about corporate power impact upon democratic institutions and attitudes towards current power structures. Understanding these attitudes and potential impacts will help campaign directors build effective messages for campaigns that attempt to increase political efficacy. In addition, policy makers may be able to identify core issues that impact diverse areas of public policy, which may have been ignored given the nurturing of capitalism in the United States. As well, corporations might be able to use the information to be more responsive to their internal employees and the public interests.

A bigger theoretical question may be begged by these studies that ask whether corporation power invalidates the concepts of a democratic society if people lose political efficacy while corporations grow. As well, does the movement towards globalization breed more of the so-called hostility between classes on a global scale rather than just a domestic scope where capitalism has been nurtured?

SBSF 8730: Research and Professional Application of Corporation Power Theory upon
Political Efficacy:

Application: Research Proposals to Determine Corporation Impact upon Public Efficacy

As noted by Bowman (1989) and Domhoff (2008), corporations are political entities with power structures that influence public discourse and policy as much as they are purposeful economic entities. While most arguments about capitalism focus primarily upon an individual's motives towards acquiring and accumulation of wealth, they require that the society be in a state of liberty where people can rise and fall based upon one's effort towards wealth. These theories, however, empirically address how corporations, as political entities, affect that freedom in democratic societies, but a greater question is to what impact corporations may have upon democratic institutions and individual political attitudes. The application thus is to examine this question and will investigate three methods that could help to answer these questions (or provide for more avenues of discussion).

The first proposed method is to understand if there is a correlation between corporation expansion and individual political efficacy. The second proposed method would examine corporation employees' attitudes and beliefs concerning their companies' specific political activism and any related political encouragements. The third proposed method would survey the American population in general for individual impressions of corporate power in federal policy as compared to their personal political efficacy. Each of these proposals attempts to measure specific elements and to answer particular questions that the other methods do not. Each of these has a different set of ethics and research challenges.

This section will discuss each of these options as potential research projects that could be carried out in an attempt to answer the specific questions about corporate power impact upon democratic institutions and attitudes towards current power structures.

Understanding these attitudes and potential impacts will help campaign directors build effective messages for campaigns and will help policy makers to identify core issues that impact diverse areas of public policy, which may have been ignored given the nurturing of capitalism in the United States. As well, corporations might be able to use the information to be more responsive to their internal employees and the public interests.

A bigger theoretical question may be begged by these studies that ask whether corporation power invalidates the concepts of a democratic society if people lose political efficacy while corporations grow. As well, does the movement towards globalization breed the so-called hostility between classes on a global scale rather than just a domestic scope where capitalism has been nurtured? Corporations and globalization are a result of the capitalism that was nurtured, but the accelerated rise in these forms of capitalism may give us a clue about what the future of social, political and economic society will be. By using the three study methods, we could actively gauge an answer to those questions.

General Foundations of the Proposals

Each of the proposals described here intend to measure attitudes about corporations or potential affects of corporations to political participation. In order to accomplish these with a reduced amount of bias or validity challenges, these are designed to be quantitative studies that do not identify individual companies or the individual participants, but these will review cumulative information and averages that would be collected either from secondary sources for the first proposal or from anonymous surveys from the latter two proposals. The construct of these surveys will enable stronger external and construct validity defenses as well as provide better accuracy for assessing information by reducing potential for Hawthorne effects or data manipulation.

One might consider that qualitative designs might provide useful expert opinion about corporation expansion, but that type of opinion, in the realm of political theory, can be severely biased towards one or more perspectives. Thus, reducing the level of bias will help to strengthen the overall study, and the quantitative methods proposed here will allow for a larger scope quantified analysis of public opinion about the issue rather than that of a few people.

For the latter two proposed methods, survey methodology and sample would harness the Internet as a web application with strict security protocols to counter security risks or data tampering. The only data that will be collected that could identify someone is header, cookie and Internet address data in order to make sure that a particular participant is participating only once. Questions will use Likert scales to gauge leanings on questions of relative or approximate impacts. Demographic questions will provide information for comparing attitudes in categorical terms where one demographic may be

more inclined than another to respond in one way. The questions will enforce generic principles to eliminate possible identification (e.g. “what size of company do you work”, “Are you active in community or federal politics”, or “do you feel your company actively encourages a political message”). Questions will be delivered in sections 1) individual demographics, 2) company demographics, 3) individual political participation, and 4) company political activity.

The hypothesis is that while corporations are growing, attitudes about, participation in and efficacy towards democratic institutions decline. If there is a so-called corporate political power, what affect if any does that actually have upon voter participation, individual attitudes and public policy? Given the Bureau of Labor statistics indicate that firms of more than 100 employees comprise 61.9% of the workforce (despite a contrasting figure suggesting that small firms make up of 97.6% of all firms), large firms impact the working conditions and the lives of people directly for a large section of the population (Bureau of Labor, 2009). Thus, the two varying definitions of power elites by Domhoff (2008) and Mills (2001) come into play since they include corporations, but they agree that power elites have money and resources that are not available to average individuals. Bowman (1989) asserts that corporations are political entities and that corporations do exercise political will upon internal and external realms when they want. Schumpeter (2008), Glezos (2008) and Weber (2008) have different methods of how capitalism affects social change, human nature, social class, social development, and the future of capitalism itself.

Thus, political efficacy may be quantified against measurable elements of the power elite by examine aspects of political participation. In searching for related

writings, definitive studies that attempted to understand actual voter behavior and voter attitudes in comparison to corporation expansion was not found. Thus the ideas here can be a foundation to further inquiry to the effect of expansion and globalization as advanced capitalism upon individual efficacy and ultimately what that means for public policy in democratic governments. There have been, as noted, descriptive and empirical ideas presented about what power elites are. Thus, if power is derived from money and resources (specifically labor), we must consider the expansion of corporations in terms of value and organization growth as related to overall political participation and attitudes.

Voter Efficacy affected by Corporate Expansion

The study here is to quantify corporate growth and affect upon political efficacy as well as affect upon corresponding public policy. This may tell us the future of corporation growth, capitalism and democratic institutions. This quantitative examination and content analysis is to explore the concepts presented by Schumpeter (2008), Bowman (2008), and Glezos (2008) that describe the affect of corporation power theory and speed capitalism in the past few decades as compared to political efficacy.

These theories explain and predict the fragile nature of capitalism, the evolution of capitalism, the rise of corporate power, and the affects of globalization upon democratic institutions. Are there presumptions about corporate power for the future role of public policy and corporations in social change that are being ignored?

To investigate the effect of corporation expansion, several elements will have to be assessed and defined as to their relevance to the measurement. Expansions of corporation power as an independent variable to a political efficacy dependent variable, as well as inflation can give a descriptive nature to the issues and possible connection between the two elements of modern democracy.

The first “variable” would be somewhat derived as a combination of trend of growth over a set of years (e.g. 30 or FORTUNE 500) of some blue chip corporations in terms of market book values and number of employees (e.g. Wal-Mart, IBM, Ford, Citigroup, NewsCorp, AT&T and Halliburton). The market value will present the dollar value of that organization. The number of employees tells how large the corporation has become in physical terms and how many people the corporation has a direct influence. Using an average of the numbers for specific corporations in quarterly or annual time

intervals, we may be able to establish a measurement and progression of corporation power in physical size and monetary value. One may want to examine the business relationships affected by the corporation, but this could get extremely complicated.

For this proposal, we can review the political consequences of power elites specifically via measuring corporate expansion against actual citizen participation in democratic institutions (e.g. voting or activism). This proposed method will examine political efficacy through political participation in terms of voting.

Political efficacy has been examined by numerous people in differing methods (Lyons & Lowery, 1989; Morrell, 2005), and thus, there is no standard accepted way to survey efficacy. Specific data will have to gauge an efficacy ratio through voter turnout as compared to voter registration and eligible population if the efficacy ratio does not in fact exist. Thus, the efficacy value will be derived from voter participation to measure political efficacy.

Since money is considered an instrument of power (politically and economically by Mills, Schumpeter, Bowman, and Domhoff), the rise in book value of companies should be compared to the ability of average Americans' ability to afford products. Thus, inflation impacts that ability by reducing the net present value of wealth one holds over a period of time. Studying the corporation expansion as compared to inflation (CPI) and average American income, we might be able to see if there is growth in one area that outpaces the other. If the hypothesis that expansion has grown more than American middle class capacity to purchase, then middle class capacity to wield power has diminished as compared to corporation growth.

The layered approach is a summation of the idea here. First, an examination of data about corporation expansion as a cumulative variable of valuation and employee size will yield a measure of corporate power. That cumulative examination can then compare corporate power to inflation and efficacy data (e.g. CPI and voter turnout) to determine if such relationships if any exist.

Employee Impressions of Corporate Power

The aforementioned proposal attempts to examine actual voter behavior in the past three decades as compared to corporation growth. This study may yield a correlation that is more circumstantial than can be identified as causal despite the inferences that may be made. This proposed study would survey the attitudes of people that are employed by corporations since these people are most directly influenced since the corporation provides the livelihood. Unlike a general survey over the public, we are trying to see if corporations do directly encourage employees' political opinion. This direct influence may be more than simply control of one's budget and economic capacity that again suggests the corporation as a political animal.

This proposal then aims to survey a sample of people that are employed by for-profit companies because non-profit firms are by law not supposed to engage in political campaigns. As well, non-profit firms may be designed around specific political activism that implicitly activates their employees and membership to political action. In addition, non-profit firms get funding through corporation grants and maybe biased towards political action observations.

By studying the direct people involved, we get a glimpse of the average internal attitudes that are present within the firms. If there is active political motivation or encouragement on the part of the corporation, the internal people should observe this before anyone outside of the firm. Using the anonymous study, we do not have to identify a corporation, individual or connection between any of the entities which would give a credible validity towards the survey. We can gauge the average attitudes in terms

of demographics where some might be more inclined to political action than others or if they use the corporation as their individual catalyst for political action.

In this study, we can look at political behaviors and encouragement that are not directly voting related but may include activities like campaigns or letter writing. Thus, we can explore the level and extent to which a corporation has an impact upon the direct people that depend upon the corporation. This study may face challenges from people that would 1) be insecure about divulging company practices in a survey regardless of anonymous nature or 2) be wary of researchers' bias against corporations or capitalism.

General Survey of Americans about Corporate Power

The aforementioned proposal attempts to examine actual employee attitudes as compared to corporation growth. That study would not be able to ascertain external impressions of corporation growth affect upon public policy and social change. This proposed study, however, would survey the attitudes of people in general (regardless of corporation affiliation or employment) and compare them to the subset of participants who are employed by corporations. This would ask for more empirical observation and opinion about people's respective views of corporation influence as a political animal.

This proposal then aims to survey a sample of American people regardless of employment for their opinions about corporations in general rather than their specific company that may control their livelihood. The researcher might anticipate people with wider opinions about corporation power affect upon individual efficacy since there corporation may not necessarily be a lifeline for participants and thus less restrained in criticizing the corporation entities. As well, those wider opinions may provide opinions that may only be speculative rather than actual observation or opinions that are directly tied to current events. In any case, the attempt here is to gain public opinion in comparison to the employee opinion about the affect of corporations upon public policy and social change to determine if the direct relationship affects that opinion.

By studying the public at large, we can review the average attitudes that are exhibited in the community with respect to expressed, implied or imagined corporation power affect upon personal efficacy. If the attitude is set to believe that there is no power in the individual vote or individual political activism, the democratic institutions of power will appear rigged with a regression of civil rule of law despite actual mechanisms

that may be in place to insure minority opinion or individual power in the system. If the attitude reflects a belief towards effective efficacy, then the democratic institutions and social change are within reach of an individual rather than rigged in support of large entities. These would be speculations that we could review as the results come out, and differences between demographics like age or income levels may factor different opinions about individual efficacy, social change, and corporate growth.

This proposal, like the earlier mentioned, examines political attitudes and opinion about corporation expansion but from a wider angle or perspective in order to see if there is a poor public perception that might translate into ineffective democratic institutions due to a sense of hopelessness on the part of individuals. This proposal will have to be controlled more in order to counter sample validity issues where participants might attempt to “stack the deck” by getting others with similar viewpoints to participate in the study.

Application Discussion

While one can argue the many benefits of corporation growth like economies of scale and rising middle classes where corporations set up production, there is the need to understand what impact these entities have upon the public policy and upon social change. This study does not debate the material wealth that has been the reward of some entrepreneurs but more focused upon the correlation affect of corporate growth to individual political efficacy. That individual efficacy is the foundation to a thriving democracy as well as a thriving capitalist system if one feels empowered to affect change and empowered to build one's own secular or sacred capitalist success (Weber, 2008; Schumpeter, 2008).

The first proposal is different from the latter two in that we using public data without direct interaction or interview of participants. This heavily reliant upon the validity of public data, the neutral position of the data and whether data is available. Information will be constrained to election cycles, and thus off-year participation, as well as non-Presidential elections, may inhibit some quantification trends due to traditionally lower turnouts for those elections. The research will ignore surging interests in one candidate or another and thus will have to explain why one year of data may not agree with a trend (outlier affect).

People should feel more encouraged about the power of their vote and participation. Aside from any philosophical logic that trivializes one vote against the masses, when one feels empowered they will exercise that power and when they do not, they abdicate their right by allowing other's to decide the fate of policy. .

The second and third proposals attempt to examine political attitudes about corporations at the moment of the survey. While organizations like PEW (2008) research have conducted studies about public opinion regarding corporations, they have not attempted the question of whether corporations directly encourage internal or external stakeholders to be politically active (one way or another). The proposed attitudes surveys would examine this and contrast that attitude to the general public opinion. Knowing this information will help policymakers and organizations to design public policy and social change objectives that address these concerns.

Given the nature of the Internet as an anonymous channel of communication, the challenge of getting a good sample for those latter proposals will increase and that sample validity will be dependent upon the number of responses and whether there is a strong response from a similar source. As well with Internet applications, there is the issue of time and technical glitches that may impact a study where someone starts a survey but does not finish or someone starts a survey that errors and results do not save correctly. These issues would provide obstacles to getting quality data.

As well, the questions have to present issues in political neutral terminology as to reduce appearance of any researcher bias (e.g. “does the corporation encourage political action” instead of “does the corporation always support Republicans”). This would be leading participants into viewpoints and open the survey up to answers that do not necessarily reflect general attitudes about impact upon individual efficacy. Again, the purpose is not to find the political leanings of corporations but whether they actively encourage actions or affect public policy beyond any empirical connection.

Application Conclusion

In the proposals here, researchers are trying to gauge how corporate growth is affecting political efficacy as a measure of the impact upon democratic capacity of the society. Capitalism requires a free society as well as a motivation towards efficiency through empowerment. As well, if corporations and globalization are advanced capitalism (Bowman, 1989; Pena, 2005), are the structures of democracy still relevant and do they retain the supposed rights to self-determination that is supposed by Locke and Franklin (as cited by Weber, 2008). If the public interprets their own impact as powerless or hopeless, then capitalism in the advanced state of corporatism and globalization does not advance that self-determinism when people have the impression they have no real voice or power in the system.

As well, if corporation growth is good for the democratic institutions, behaviors and participation should grow as corporations grow. Additionally, if corporation expansion, as advanced capitalism, means more people have more economic power, then we should see an increase in overall middle class purchase power. This should be visible in the voting participation rate as well. People should feel more encouraged about the power of their vote and participation. To reiterate, when one feels empowered they are more likely to exercise that power, and when they do not, they abdicate their right or power by allowing other's to decide the fate of policy by assuming that there is nothing one can do to create change.

We have advanced capitalism to include globalization and supra-national corporations that transcend national barriers and interests. This is impacting the future of democratic societies as well as existing socialist societies. The question remains whether

Schumpeter is correct that capitalism will eventually evolve into a social democracy because of the intrinsic hostility and exploitation that happens within capitalist societies.

For social change to occur in the United States, one must be able to recognize power elites and their impact as stated before, but using the research proposed here, we can gauge the perception of democratic institutions as being effective or not, in terms of people's involvement with large firms. Without a favorable perception in these terms, the power elites (perhaps new type of aristocracy) in whatever form one imagines them, especially as corporations, have virtual control over the society. Without that favorable perception, people have lost faith in the system and the hostility rises, but that hostility today is pointed at government rather than those entities that have impacted the democratic institutions or that potential perception.

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