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We draw upon institutional theory to investigate the interactive influences of institutional mechanisms—coercive, mimetic, and normative—on the diffusion of a controversial and socially stigmatized practice, same-sex partner health benefits, in Fortune 500 corporations between 1990 and 2003. Given the social stigma associated with domestic partnerships of lesbians and gay men during the period of the study, the provision of these benefits was highly controversial and induced intense contestation between proponents and opponents of the institution of equal treatment for lesbian and gay employees. We explore the diffusion of theses benefits using data on cumulative adoptions by similar others, state laws forbidding discrimination based on sexual orientation, and overall tenor in press coverage of the benefits. Our analysis shows that the cumulative number of adoptions within industry increased the positive effect of state laws on the corporation's decision to provide the benefits. However, the cumulative number of adoptions in the state of the corporation's headquarters decreased the positive effects of both state laws and overall tenor in press coverage on such a decision. Accordingly, our study contributes to institutional theory by pointing to complex interactive influences of institutional mechanisms on the institutionalization of contested practices, and to the literature on lesbian and gay issues in the workplace by studying factors influencing organizational decisions to adopt policies supportive of lesbian and gay employees.

Key words: institutional mechanisms; contested practices; same-sex partner health benefits
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During the past three decades, institutional theorists have offered considerable insights into why and how organizations adopt practices that manifest particular institutions (Scott 2001; see Greenwood et al. 2008 for a review). Institutions are generally regarded as more or less taken-for-granted social behavior, which is underpinned by normative systems and cognitive understandings that give meaning to social exchange (Greenwood et al. 2008, pp. 4–5). Because organizations are situated in institutional environments, organizations conform to institutionalized institutions by adopting the practices of the institutions. By adopting the practices, constituents can comprehend organizations' behaviors and existence, which in turn then enhances the organizations' resource stability and survival. Not until recent years have institutional theorists begun to examine the conditions under which an institutionalized institution becomes deinstitutionalized and how a new institution emerges and becomes institutionalized. Conditions found to influence processes of such (de)institutionalization include changes in the configuration of social, economic, and cultural elements in organizational fields (e.g., Kraatz and Zajac 1996, Haveman and Rao 1997, Dacin 1997, Hoffman 1999, Thornton 2002, Washington and Ventresca 2004) and situations where individuals challenge an existing dominant institution and give meaning to a new institution they advocate (e.g., Greenwood et al. 2002, Zilber 2002, Maguire et al. 2004).

Recent efforts to understand the processes of the institutionalization of institutions have focused primarily on the main effects of the three types of institutional mechanisms—coercive, mimetic, and normative—on the institutionalization of institutions (DiMaggio and Powell 1983, Scott 2001). Particularly, in their review of institutional mechanisms, Mizruchi and Fein (1999) reported that the mimetic mechanism has attracted the most attention in the empirical studies. Relatively few studies have incorporated all three types of mechanisms in the study of institutionalization (e.g., Palmer et al. 1993,

Hoffman 1999, Rao and Sivahumar 1999, Sanders and Tuschke 2007). In addition, past empirical studies have tended to assume that these mechanisms have only independent effects on the institutionalization of an institution (Scott 2001) and have shown that their influences can vary across stages of institutionalization (Hoffman 1999). There has been little evidence as to how the three types of mechanisms interact with one another to give rise to an institution. The institutional cues embedded in these three types of mechanisms may supplement or substitute one another. Therefore, it is plausible that the influence of one mechanism on the institutionalization may depend upon the availability of another mechanism. In addition, the existing evidence on institutionalization is based mostly on the practices that have positive or neutral social evaluations (see Dacin et al. 2002 for a recent review). Yet, there are other practices such as abortion services, testing for illicit drug use, and HIV treatment services that are particularly vulnerable to contestation and stigmatization by some key constituents in institutional environments because the institutions the practices manifest are not consistent with certain broad societal values (cf. Hudson 2008). The contestation then creates uncertainty for organizations as to which institutions they should conform to maintain their resource stability. However, these practices do gradually diffuse in organizational fields. Accordingly, it is important to better understand how institutional mechanisms work in the context of the diffusion of contested, socially stigmatized practices.

In this study, we aim to address these gaps in the literature by examining the diffusion of same-sex partner health benefits in Fortune 500 corporations between 1990 and 2003. The practice of same-sex partner health benefits manifests the institution of equal treatment for lesbian and gay employees (Raeburn 2004). This practice was highly controversial in the 1990s because the partnerships of lesbians and gay men were socially stigmatized. Therefore, adoption of such a practice could result in the stigmatization of the adopting corporation (Hostetler and Pynes 1995). For example, Disney's decision to offer health benefits to partners of its lesbian and gay employees induced approximate 16 million members of the Southern Baptist Convention to boycott Disney's products; at the same time, the decision was applauded by pro-gay activists. Though Disney's decision was in part driven by the desire to achieve equal treatment for all of its employees, Disney was charged with abandoning its "family values" by Southern Baptist Convention members and other opponents. Despite the contentious nature these benefits, the number of Fortune 500 corporations offering same-sex partner health benefits increased from 2 in 1992 to 218 in 2003. Thus, this research context provides an excellent opportunity to examine how a controversial and

socially stigmatized practice is diffused throughout organizational fields. Moreover, it provides an opportunity to study the interactive effects of the three types of institutional mechanisms on the adoption of benefits; that is, the effect of each mechanism on an organization's decision to adopt the benefits may be moderated by the availability of another mechanism. Investigating such interaction is particularly critical for understanding the process of institutionalization and diffusion of socially stigmatized practices, such as same-sex partner health benefits, when organizations are faced with their own insufficient knowledge of evolving institutional environments.

We argue—and provide evidence—that during the observed time period, state legal environments, cumulative benefits adoptions by similar corporations, and press coverage of the benefits interactively influenced corporations' decisions to provide the benefits to partners of their lesbian and gay employees. As the number of corporations adopting the benefits increased, diffusing the practice of same-sex partner health benefits, the institution of equal treatment for lesbian and gay employees became more institutionalized.

Our analysis of same-sex partner health benefits adoption by Fortune 500 corporations aims to contribute to two streams of research: institutions and organizations, and lesbian and gay issues in the workplace. First, we respond to the call to explore the interactive effects of institutional mechanisms (Scott 2001), specifically in the context of the diffusion of socially stigmatized practices that are contradictory to the underlying organizing principles of prevailing institutions. Second, we broaden the understanding of the conditions under which same-sex partner health benefits policies are adopted. Emerging research on lesbian and gay issues in the workplace has focused primarily on the effects of organizational policies and practices on lesbian and gay employees' job satisfaction and commitment (Button 2001), perception of discrimination (Ragins and Cornwell 2001), self-disclosure decisions (e.g., Griffith and Hebl 2002), and firm stock prices (Johnston and Malina 2008). Yet, little is known about the factors contributing to organizational decisions to adopt policies and practices supportive of lesbian and gay employees. Raeburn's (2004) qualitative analysis of nearly 100 corporations showed how the adoption of the benefits policies was a function of lesbian and gay liberalization in workplace; however, there is limited systematic examination on the diffusion processes of such benefits.

We begin with a description of our research context— the contentious nature of same-sex partner health benefits. We then portray how state laws forbidding discrimination based on sexual orientation, adoptions of benefits by similar corporations, and press coverage of the benefits, serve as the baseline of three types of institutional mechanisms—coercive, mimetic, and normative, respectively. From there, we put forward three sets of

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hypotheses to examine interactive effects of the mechanisms on a corporation's likelihood of adopting the benefits.

Contentious Landscape of Same-Sex Partner Health Benefits

In their work on lesbian and gay employee issues in the workplace, Ragins and Cornwell (2001) suggested a range of organizational behaviors and policies that discriminate against lesbian and gay employees, identifying the absence of same-sex partner health benefits as an important indicator of heterosexism in the workplace. Viewed from an institutional perspective, the institution of workplace heterosexism refers to taken-for-granted discriminatory behaviors and policies against sexual minorities in the workplace (cf. Ragins and Cornwell 2001, Ragins et al. 2003). The underlying principles and values of such behaviors and policies reflect the ideological system in society that excludes recognition of any nonheterosexual form of behaviors and relationships (cf. Herek 1990). Therefore, any organizational behaviors and policies that are not consistent with these principles and values are in direct conflict with the institution of workplace heterosexism.

Same-sex partner health benefits have been particularly contentious and controversial in that they recognize the identities of lesbian and gay employees based on their sexual orientations, as well as their long-term relationships. Prior to the introduction of same-sex partner health benefits, partner health benefits in the United States have been based primarily on a legal definition of marriage, and thus, automatically inaccessible to lesbian and gay employees (Gosset 1994, Kane 1998, Adams and Solomon 2000). Unlike opposite-sex couples who have an option of marriage, partner health benefits excluding same-sex partnerships created inequality and differential treatments for lesbian and gay employees. More broadly, it is still legal to discriminate on the basis of sexual orientation in most workplaces in the United States (Herrschaft and Mills 2002). Until 2003, consensual sex between men was still considered a criminal offense in some of the United States (Morgan 2004). This placed employers in the tenuous position of providing these valuable health-care benefits to same-sex partners of their lesbian and gay employees whose sexual relationships may well have been in violation criminal law (Helitzer 1993).

The emergence of same-sex partner health benefits was in part driven by gay activists questioning the inequality created in the workplace by existing benefits models (Raeburn 2004; cf. Hoffman 1999). The first company to offer same-sex partner health benefits was New York's *Village Voice*, after its writer Jeff Weinstein successfully lobbied for equal treatment for lesbian and gay employees in 1982. Since then, same-sex partner

health benefits have been a significant battle ground for the two competing institutions of workplace heterosexism and of equal treatment for lesbian and gay employees in the United States (Raeburn 2004). Intense battles between pro- and antigay forces marked not only the emergence of pro-gay advocacy organizations demanding equality, but the emergence of the Christian conservative right as a powerful political force in the United States in 1980's (Herman 2000, Herek 2004). The battles between advocates of these two competing institutions have contributed to organizations' uncertainty around adoption decisions: whether to adopt benefits policies or not, how to apply the practice if they adopt, and how to deal with consequences of their decisions.

The well-publicized boycott of Disney by the Southern Baptist Convention, as well as Apple's and Coors' decisions to offer same-sex partner health benefits, serve as examples to illustrate the contested nature of the benefits. Disney had a reputation of "traditional family values." After a group of lesbian and gay employees lobbied for the benefits, Disney decided to offer same-sex partner health benefits to be in line with its nondiscrimination employment policies. As a result of its decision, however, Disney was charged with abandoning its "traditional family values" foundation by antigay activists and members of the Southern Baptist Convention. Consequently, in 1996, not only were all Disney products boycotted, Southern Baptist protesters even entered Disney's Magic Kingdom, during the annual Gay Days celebration held at Disney, videotaping and attempting to convince the lesbian and gay crowd that homosexuality was immoral (Pinsky 1998). To countervail the efforts of the Southern Baptist Convention, many pro-gay advocacy organizations launched campaigns to support Disney's initiatives. Similarly, Apple's adoption of same-sex partner health benefits became a significant barrier to the establishment of a production plant in Texas. To articulate their opposition, opponents of Apple's plant proposal used the phrase "Just Say, No! An Apple today will take family values away" (Verhovek 1993). In contrast, Coors Brewing Company's decision to offer same-sex partner health benefits astonished both pro- and antigay activists. Coors' decision was, in part, an attempt to capture market share in the lesbian and gay market (Wilke 2002), after almost 20 years of being the target of a lesbian and gay boycott campaign. Not only did Coors decide to provide the benefits to the partners of its lesbian and gay employees, the company also began aggressive publicity of this change to the lesbian and gay community in an attempt to win back lesbian and gay customers. In addition to Disney's and Coors' adoptions, the contestation between proponents of the two institutions happened in the grassroots of corporations as well. When Lotus announced its decision to offer same-sex benefits to fulfill its vision of respect for diversity, the company's electronic mail systems were

crashed by e-mails concerned with the decision. Approximately 200 senior engineers left ASK Group when it was acquired by Computer Associates International in 1994. The departing employees cited Computer Associates' revocation of ASK's health benefits policies for lesbian and gay employees as a key reason for their departure.

To this end, all organizations, regardless of whether or not they offer these benefits, are part of the battle over equal treatment for lesbian and gay employees. Organizations providing the benefits obtain support from the institution of equal treatment for lesbian and gay employees, but face potential sanctions from constituents supporting the institution of workplace heterosexism (e.g., Pinsky 1998; cf. Hudson 2008). Organizations not offering the benefits maintain their resource stability derived from the institution of workplace heterosexism, but continue facing the pressure from constituents advocating equal treatment for lesbian and gay employees (Raeburn 2004). The ongoing battle over equal treatment for lesbian and gay employees left organizations uncertain as to which institution would help them maintain resource stability. By 1990, about 20 employers had adopted same-sex partner health benefits. No Fortune 500 company offered the benefits until 1992, the year Levis Strauss and Silicon Graphic, Inc. began offering the benefits. As shown in Figure 1, the numbers then gradually increased.

Theoretical Background

A central question in institutional theory has been how institutions affect organizational practices. Logics and governance structures embedded in institutions are produced, reproduced, or enacted by various constituents who are associated with and affected by the institutions (McAdam and Scott 2005). The underlying logics and governance structures consist of material practices and symbolic constructions, which constitute

organizing principles available to individuals and organizations to elaborate (Scott 2001; cf. Friedland and Alford 1991). Once the logics and governance structures become taken for granted, they generate obligations for the constituents, and the associated governance structures constrain constituents' action (DiMaggio and Powell 1983). Institutional theory further suggests that for a particular emerging institution to be sustained, and ultimately institutionalized, supportive mechanisms need to be in place (DiMaggio and Powell 1983). Three types of supportive mechanisms have been identified: coercive, mimetic, and normative (DiMaggio and Powell 1983). The coercive mechanism refers to persuasion or force coming from authoritative or powerful constituents in the environment. The mimetic mechanism refers to the process by which constituents model themselves after other constituents that are perceived legitimate or relevant under the condition of uncertainty. Finally, the normative mechanism stems from the values and norms embedded in sociocultural expectations that induce constituents to support the emerging institution. These three types of mechanisms promote organizational incentives and capacity to adopt the material practices that manifest the institution, though their influences can vary across the process of institutionalization of the institution (cf. Hoffman 1999). As the number of organizations adopting the practices increases, the institution is on the path to institutionalization (Scott 2001).

Although there is considerable evidence supporting these mechanisms (Mizruchi and Fein 1999, Scott 2001, Greenwood et al. 2008), the focus of studies has been primarily on the independent main effects of the three mechanisms on organizational adoption of particular practices and on the process of institutionalization; that is, the effect of a mechanism is not affected by the presence of another. Theoretical argumentation and empirical evidence are thus limited as to whether the deffect of one mechanism on organizational adoption

Figure 1   Number and Accumulated Number of Adoptions of Same-Sex Partner Health Benefits in Fortune 500 Corporations, 1990–2003
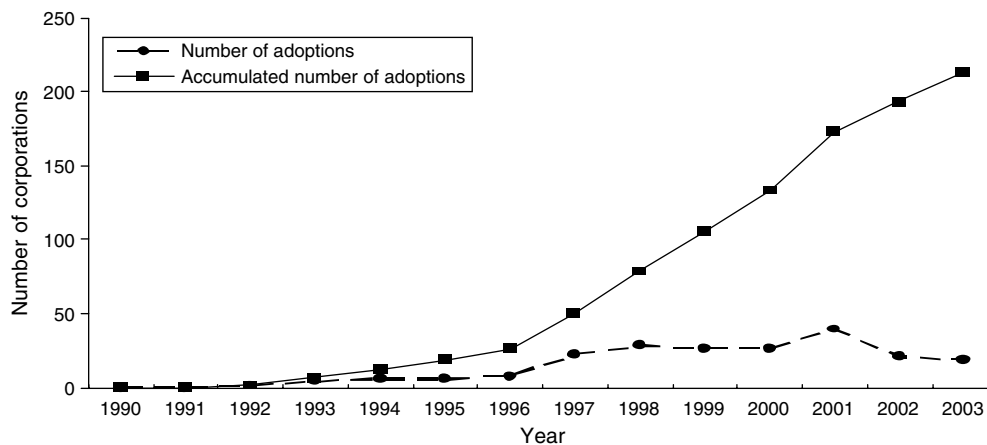
and institutionalization could vary with other mechanisms (Scott 2001). However, given that the three mechanisms are often simultaneously embedded in the institutional environments, the institutional cues embedded in these mechanisms can supplement or substitute for one another. Thus, the mechanisms' influences on organizational motivation and capacity to adopt institutional practices may depend upon one another (Scott 2001; cf. Greenwood and Hinings 1996).

Moreover, there are often multiple institutions that exist simultaneously in the environment where organizations reside. These multiple institutions can be interdependent and yet also contradictory (Friedland and Alfrod 1991, Seo and Creed 2002). When institutions are in conflict, they can generate intense contestation in organizational fields where constituents mobilize resources to advocate the institutions they support (Seo and Creed 2002, McAdam and Scott 2005). The contestation then creates uncertainty for organizations as to which institution they should conform. Organizations can then attend to institutional cues in multiple institutional mechanisms to cope with this uncertainty. Particularly, when a new contentious material practice that reflects a contesting institution is introduced to organizational fields, it often faces stiff opposition from proponents of the prevailing institution (Davis and Greve 1997, Kraatz and Moore 2002). When the institutions and their material practices are mutually exclusive, organizations must decide between the competing institutions, because their decision as to which institution they conform to may lead to serious consequences associated with resource stability. Specifically, if organizations adopt the material practices of an emerging institution that contradict the prevailing institution, they may face hostile activities initiated by the proponents of the prevailing institution. However, if they do not adopt the practices, they may face pressure from the proponents of the emerging institution. Situated between "a rock and a hard place," organizations can simultaneously draw inference from multiple institutional cues embedded in coercive, mimetic, and normative mechanisms to comprehend evolving institutional environments and to decide which key institutional environment they would conform to to maintain their resource stability. As the number of organizations adopting the material practices of the emerging institution increases, the institution is on its path to institutionalization. At the same time, the prevailing institution begins its decline.

Hypotheses on Adoption of Same-Sex Partner Health Benefits

Coercive Mechanism: State Legal Environments
The legal environment has been regarded as a coercive mechanism that guides organizations' practices (Scott 2001). Thus, organizations adopt new practices, such

as maternity leave, because those practices have been codified as proper and legitimate in the legal environment (e.g., Kelly and Dobbin 1999). Therefore, when the prevailing institution and an emerging institution are in conflict, the endorsement of the emerging institution by the legal environment may shape constituents' attitudes toward the institutions. Such endorsement can provide either positive or negative sanction to organizations, which in turn influences their motivation to conform to the regulatory environment (cf. Staw and Esptein 2000). Examples of empirical evidence in support of the role of the legal environment in institutional and organizational change include the reform of civil organizations (Tolbert and Zucker 1983) and the adoption of stock options in large German corporations (Sanders and Tuschke 2007).

The legal environment associated with lesbian and gay employees' civil rights has been regarded as ambiguous, controversial, and inconsistent (Feldblum 2000). Pro-gay-rights activists advocated and anti-gay-rights activists opposed legislation that forbids discrimination based on sexual orientation at both federal and state levels because such legislation would enhance the institution of equal treatment (Button et al. 2000). There is no federal legislation forbidding discrimination against lesbian and gay employees (Feldblum 2000). However, at the state level, the number of states with laws forbidding discrimination based on sexual orientation increased from 1 in 1977 to 14 in 2002. In the absence of legal protection at the federal level, a pro-gay state law could serve as a coercive mechanism that invites or persuades corporations to support the institution of equal treatment by offering benefits to partners of their lesbian and gay employees. Although such a law did *not* require corporations to offer these benefits, nor did it impose explicit negative sanction for corporations that did not provide benefits, it was a reflection of broader support from the state legal environment for lesbian and gay employees' rights in the workplace. It also provided an "institutional opportunity" for pro-gay activists to argue that not offering same-sex partner health benefits was a failure to recognize the essence of the nondiscrimination law and created differential treatment of lesbian and gay employees because marriage was not available to them (Raeburn 2004). As the number of states passing this type of nondiscrimination law increased, the degree of support and persuasion derived from the state legal environments for the institution of equal treatment was further enhanced, which in turn might have then accelerated the rate of benefits adoption by corporations.

Mimetic Mechanism: Benefits Adoption by Similar Others
When two institutions are in direct conflict, they often generate contradictions (Seo and Creed 2002). These contradictions create uncertainty for organizations regarding the choice of institutions to which they should

conform, as well as the uncertainty around the consequences of hostile activities initiated by opponents of the chosen institution and ways to cope with these activities. When faced with such uncertainty, the behaviors of other organizations can serve as cognitive models that help organizations to comprehend their external environment and to cope with the uncertainty (DiMaggio and Powell 1983, Scott 2001). As the number of organizations adopting the practices increases, the cognitive models of the practices are further enhanced. This then accelerates the rate of practice adoptions by corporations. Examples of empirical evidence of the mimetic mechanism's effect on organizational practices can be found, for example, in the diffusion of corporate governance practices (Davis and Greve 1997, Sanders and Tuschke 2007), the rise of professional programs in liberal arts colleges (Kraatz and Moore 2002), and the adoption of recycling programs by universities (Lounsbury 2001).

With respect to the adoption of same-sex partner health benefits, corporations often faced normative and technical uncertainty. Normative uncertainty was a result of different sociocultural expectations associated with equal treatment for lesbian and gay employees. Technical uncertainty stemmed from questions around the definition of same-sex long-term relationships and monetary costs associated with the benefits (e.g., Anfuso 1995, Badgett 2000). Faced with such uncertainties, the prior adopters of benefits could serve an important role in helping corporations to cope with the uncertainties. Specifically, prior benefits adopters provided potential adopters with sample solutions for the definition of same-sex partnerships, for the management of the potential costs associated with the benefits, and for the social sanctions experienced. These solutions might help the potential adopters reduce technical and normative uncertainties associated with the benefits adoption. Furthermore, the solutions to reduce social sanctions from opponents of same-sex partner health benefits developed by the prior adopters could help the potential adopters deal with the potential sanctions they might encounter if they were to adopt the benefits (Raeburn 2004). Thus, as the number of corporations adopting the benefits increases, a more elaborate cognitive model of the benefits might be established and be better understood by various constituents in organizational fields (Scott 2001), which in turn might increase a corporation's motivation and capacity to adopt the benefits.

Past research suggests that the influence of prior adopters can depend upon their social proximity to potential adopters (e.g., Burns and Wholey 1993, Palmer et al. 1993, Davis and Greve 1997, Washington and Ventresca 2004). We posit that the adoptions by other corporations in the same industry and by other corporations with headquarters in the same state served as important boundaries of social proximity in the case of

adoption of the benefits. Each industry has its own sociocultural expectations associated with sexual orientation specific to the industry. As such, the adoption from other industries may not be as useful and relevant as those in the same industry. Differences in state legislative systems would likely influence the practice of providing same-sex partner health benefits (e.g., Kelly and Dobbin 1999). Societal attitudes and values toward lesbians and gay men also differ between states (e.g., Loftus 2001). Thus, adoptions by corporations with headquarters in the same state could be perceived as more relevant than adoptions by those outside the state. Having headquarters located in the same state could also facilitate transfer of adoption experience due to geographic proximity (e.g., Davis and Greve 1997). Therefore, increases in the number of adopting corporations in the same industry and in the number of adopting corporations headquartered in the same state might accelerate the rate of benefits adoption by corporations.

Normative Mechanism: Press Coverage of Benefits
Sociocultural expectations introduce evaluative and obligatory dimensions to institutions and their arrangements (Scott 2001). Such expectations serve as normative mechanisms of control to guide organizational behaviors. When organizations fulfill the expectations, the organizations may be rewarded by external constituents, enhancing their resource stability (Staw and Epstein 2000; cf. Bansal and Clelland 2004). Past empirical studies have shown how normative mechanisms such as trade publications, press coverage, the educational background of managers, and professionals influenced organizations to adopt new institutional practices that were aligned with emerging institutions and facilitated the diffusion of the practices (e.g., Hirsch 1986, Edelman 1992, Burns and Wholey 1993, Sanders and Tuschke 2007). However, when two institutions are in conflict, sociocultural expectations may create diverse evaluations on the institutions, which in turn influence organizations' decisions about the institution to which they will conform.

We posit that press coverage of the benefits served as a source of the normative mechanism influencing corporations' adoption of same-sex partner health benefits (cf. Hirsch 1986). Press coverage of social issues can reflect a variety of opinions, document the scope of social issues, critique the alternative proposals for coping with such issues, and focus on tactical efforts of activists and involved parties to cope with them (e.g., Gitlin 1980). Specifically, individual press articles about same-sex partner health benefits often exhibited positive, neutral, or negative tenors, reflecting societal evaluations of the benefits (cf. Deephouse 2000, Pollock and Rindova 2003). Positive and negative tenors expressed in articles in the press coverage signaled a certain degree of societal approval and disapproval of the benefits. As a whole,

the overall tenor of benefits press coverage could indicate an evolution of societal attitudes and beliefs toward the institution of equal treatment. Organizations could make inferences about these evolving societal attitudes and beliefs toward the institution of equal treatment by attending to the overall tenor of the press coverage of the benefits. Therefore, the overall tenor of the press coverage of the benefits would affect the rate of benefits adoption by corporations.

Interaction Effect of State Legal Environments and Adoption by Similar Others

As organizations struggle over the contestation of two mutually exclusive institutions, organizations can draw upon multiple institutional cues in institutional environments to make their conformity decisions. Though the legal environment and adoption by similar others have been found to exert independent influences on the institutionalization process, they may also reinforce each other to facilitate the institutionalization process in general and the adoption of material practices in particular. When two institutions are mutually exclusive, organizations can attend to the combination of institutional cues in both the legal environment and the behaviors of similar others to decide to which institution they would conform to maintain resource stability. Particularly, most legislation provides only the principles underlying the ideal of material practices, and seldom provides clear prescription for conduct (Edelman and Suchman 1997). Thus, although legislation may serve as guide and possible whip, without practical guidelines, organizations may remain hesitant to adopt the practices. The principles underlying the practices in legislation may then be supplemented by the practices adopted by similar others to influence an organization's adoption decision. The adoptions by similar others can provide practical solutions for the material practices to enhance organizational capacity for adoption (cf. Greenwood and Hinings 1996). Taken together, the joint effect of the legal environment's support for a new institution and adoption by similar others can increase an organization's propensity to adopt the material practices associated with the institution.

Turning to our research setting, state laws forbidding discrimination based on sexual orientation emphasized equal treatment but did not provide specific scope and guidelines as to how such equal treatment should be achieved. These laws did not include explicit prescriptions for same-sex partner health benefits, nor did they include any negative sanction for those corporations that did not offer the benefits to partners of their lesbian and gay employees. To the extent that prior adoptions by other corporations could have helped reduce technical uncertainty associated with the implementation, as well as provided ways to respond to potential backlash, the availability of prior adoptions might have reinforced the

positive effect of the state legal environments on the rate of a corporation's benefits adoption. Specifically, when there were no prior adoptions by other similar corporations, a corporation might have had little motivation to adopt the benefits to elaborate the essence of this state nondiscrimination law. Being one of the first adopters, the corporation might have had to incur high "startup" costs associated with the solutions to resolve technical complexity and uncertainty, and with potential backlash initiated by antigay activism. Being one of the first corporations to adopt benefits, a practice yet to be understood by the constituents, might also have made the corporation salient in organizational fields and made it particularly vulnerable to negative sanctions by key constituents and antigay activism. In contrast, when adoptions by other corporations' were available, the examples and solutions of their adoption experiences could have reduced the costs associated with adopting the benefits. Their adoptions served as a model to help corporations that had not yet adopted the benefits to resolve technical complexity and uncertainty. Furthermore, prior adoptions might have made the corporation less vulnerable to being singled out for hostile activities by opponents of the institution of equal treatment (Sanders and Tuschke 2007). This might, in turn, have increased the corporation's capacity to elaborate the essence of the state laws of nondiscrimination based on sexual orientation by offering the benefits to partners of its lesbian and gay employees. Thus, we expect that adoption by similar others amplified the positive relationship between the number of state nondiscrimination laws and a corporation's rate of benefits adoption. Put formally,

HYPOTHESIS 1A (H1A). *There will be a positive interaction effect between the number of state nondiscrimination laws and the cumulative number of adoptions in the same industry on the rate of adoption of same-sex partner health benefits by a corporation.*

HYPOTHESIS 1B (H1B). *There will be a positive interaction effect between the number of state nondiscrimination laws and the cumulative number of adoptions in the same state on the rate of adoption of same-sex partner health benefits by a corporation.*

Interaction Effect of Legal Environment and Press Coverage

Changes in the legal environment draw an organization's attention to the evolving institutions, which in turn may influence an organization's motivation to modify its practices. Signaling normative acceptance, a more positive overall tenor in press coverage on new institutional arrangements can further increase the organization's incentive to modify their practices to elaborate the essence of the legal attention to evolving institutions (cf. Oliver 1992). This possibility is, in part, consistent

with past studies on the roles of human resources professionals in interpreting laws and shaping organizational human resource practices. Specifically, Edelman (1992) and Sutton and Dobbin (1996) documented how the professional journals, conventions, and personnel helped convey interpretations of equal employment opportunity and affirmative action laws, which in turn shaped organizations' responses to such laws.

Although state nondiscrimination laws based on sexual orientation reflected the legal environment's endorsement of the institution of equal treatment, such laws did not protect corporations that provided same-sex partner health benefits from potential negative sanctions from antigay forces advocating against equal treatment for lesbian and gay employees. Because the tenors in the press coverage of benefits adoption signified the social evaluation of the benefits and the degree of stigma attached to the benefits, they might have moderated the effect of the state laws on the rate of benefits adoption by corporations. Specifically, societal approval of the benefits reflected in a strongly positive overall tenor in press coverage might have magnified the legitimizing effect of existing state nondiscrimination laws. In contrast, the lack of nondiscrimination laws in the state legal environments signified the dominance of the prevailing institution of workplace heterosexism, which might have decreased a corporation's incentive to provide the benefits. A strongly negative overall tenor in press coverage might have highlighted the degree of stigma associated with the benefits and further decreased the corporation's motivation to adopt the benefits. To this end, state laws and the overall tenor in press coverage of benefits together might have exerted greater influence on a corporation's incentive to adopt the benefits than either one could if considered alone. Thus,

Hʏᴘᴏᴛʜᴇsɪs 2 (H2). *There will be a positive interaction effect between the number of state nondiscrimination laws and the overall tenor in press coverage on the rate of adoption of same-sex partner health benefits by a corporation.*

Interaction Effect of Adoption by Others and Press Coverage

Unlike the predictions specified in the previous hypotheses, we suggest that the cumulative number of adoptions by similar others will modify the relationship between the overall tenor in press coverage of a new institutional practice and the rate of the practice adoption by a corporation. More specifically, we posit that the relationship between the two will be stronger when there is a low cumulative number of adoptions by similar others. The overall tenor of the press coverage of a new institutional practice provides organizations with institutional cues as to the degree of societal acceptance for the new practice in organizational fields and the potential consequences of adopting the new practice; however, this coverage might not contain specific prescriptions of ways to deal with the consequences of adoption. In contrast, the institutional cues embedded in prior adoptions by similar others contain rich information about how to implement the practice and how to deal with potential consequences. As a result, the effect of overall tenor in the press coverage of a new institutional practice on an organization's adoption of the practice might depend upon the availability of prior adoptions by similar others. Specifically, when there are no prior adoptions from which an organization could evaluate the potential sanctions and learn how to cope with such sanctions, an organization can observe and interpret press coverage to draw inferences about the degree of societal acceptance of the practice to inform its decision. Therefore, an organization's adoption decision may be more likely to be influenced by the overall tenor in press coverage on the evolving institutions when the number of cumulative adoptions by other organizations is low. However, when the number of cumulative number of adoptions by other organizations is high, the reactions to these adoptions by key constituents in institutional environments help organizations to comprehend the evolving institutions. As a result of the greater number of adoptions, not only is the cognitive model of the practice further enhanced, but more solutions are also provided as to how to deal with potential opposition activities. Under these conditions, the overall tenor in the press coverage might have only an incremental influence on an organization's adoption decision.

Regarding the adoption of same-sex partner health benefits studied here, we expect that the influence of the overall tenor in the press coverage of the benefits on a corporation's benefits adoption decision would have been greater when there were limited cumulative adoptions by similar others. Although a corporation's adoption of the benefits showed its commitment to the institution of equal treatment, it might have made the corporation particularly vulnerable to negative sanction from antigay forces advocating against equal treatment for lesbian and gay employees (Raeburn 2004). When there was limited cumulative number of adoptions by similar others, few solutions as to how to deal with backlash activities by antigay activism if the corporation were to adopt the benefits would have been provided. Faced with limited solutions provided by the adoptions of similar others, a corporation might have relied more upon the overall tenor in press coverage on the benefits to make its benefits adoption decision. In contrast, when the cumulative number of adoptions by similar others was high, the overall tenor in the press coverage on the corporation's adoption decision of the benefits might have become less influential because the corporation could better understand the model of the benefits and learn how to deal with the potential sanction from opponents of equal treatment for lesbian and gay

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employees from the adoptions by similar others. To this end, we expect the following.

HYPOTHESIS 3A (H3A). *There will be a negative interaction effect between the overall tenor in press coverage on the benefits and the cumulative number of adoptions in the same industry on the rate of adoption of same-sex partner health benefits by a corporation.*

HYPOTHESIS 3B (H3B). *There will be a negative interaction effect between the overall tenor in press coverage on the benefits and the cumulative number of adoptions in the same state on the rate of adoption of same-sex partner health benefits by a corporation.*

Methods

Data and Sample
Our sample consists of all corporations ever listed in the Fortune 500 between 1990 and 2002, covering initial adoptions of same-sex partner health benefits by Fortune 500 corporations. We obtained corporations' financial data from the COMPUSTAT database. Before 1994, *Fortune* reported the rankings of manufacturing and services corporations separately. After 1994, *Fortune* reported the rankings of all large corporations. Thus, for the years 1990 to 1993, we reranked the corporations based on sales and selected those ever ranked in the top 500. Because of missing data, the number of corporations was reduced from 961 in the initial sample to 951.

Dependent Variable and Analysis
Our dependent variable is the *adoption rate of same-sex partner health benefits* by a corporation when it was at risk of adoption in a given year. We compiled the adoption data from two major sources: the HRC WorkNet database and the Factiva media database. HRC WorkNet, maintained by the Human Rights Campaign, provides comprehensive coverage of adoption of the benefits in Fortune 500 corporations from 1999 to 2003. We searched Factiva to identify the corporations in our sample that offered the benefits prior to 1999. Combining these two data sources, we were able to identify 218 corporations that had adopted the benefits by the end of 2003. We were unable to identify the year of adoption for 10 corporations. Accordingly, we excluded them from our analysis, resulting in a final sample of 208 adoptions and 941 corporations (80 corporations offered benefits to partners of lesbian and gay employees, and 128 corporations offered benefits to both partners of lesbian and gay employees and unmarried opposite-sex employees). We also made efforts to determine if any of these 208 corporations abandoned the benefits after their adoption and found one corporation that did so.[1] We transformed data on the remaining 941 corporations into annual spells, yielding a data set with 9,489 at-risk corporation-years. We coded 1 for the year when a

corporation started to offer the benefits to its same-sex employees' partners, and 0 otherwise.

We then estimated a Cox model, where the hazard rate of adoption was modeled as the product of a specific baseline hazard rate and an exponential function of time-varying covariates:

$$h(t) = h_0(t) \exp(\beta X_t), \tag{1}$$

where $h(t)$ is the hazard rate of adoption at time t, $h_0(t)$ is a (possibly time-dependent) nuisance function that is not estimated, X_t is a vector of time-varying covariates at time t, and β is the vector of coefficients corresponding to the covariates. The Cox model was preferred here because we did not know the exact timing of adoption within the spells and because we had "tied" events, that is, years in which more than one corporation adopted the benefits policies (Allison 2004). We used the Breslow method to handle "tied" events because we had a relatively small number of "tied" events in comparison to the overall number of corporations at risk in any given year (Allison 2004). We also used a robust variance estimator to cluster corporations based on the states in which their headquarters were located to control for state-specific unobserved heterogeneity to capture differences in idiosyncratic state local environments. Furthermore, we also checked whether our models violated the proportional assumption of the hazard functions in the Cox model (Allison 2004), and they did not.

Independent and Control Variables
All of our independent and control variables were lagged one year for the analysis to avoid simultaneity problems.

Number of State Nondiscrimination Laws. We obtained the information on the year a state enacted a law forbidding discrimination based on sexual orientation from the HRC WorkNet database. The first to enact such a law was the District of Columbia in 1977. It was followed by Wisconsin in 1982 and Massachusetts in 1989. By the end of 2002, 14 states had enacted such laws. We constructed *number of state nondiscrimination laws* by counting the number of state nondiscrimination laws in year $t-1$.

Cumulative Numbers of Adoptions by Others in the Same Industry and in the Same State. We constructed the cumulative number of adoptions by others within the same industry for a focal corporation (*cumulative number of adoptions in the same industry*) by counting the number of corporations in the industry of sampled corporations that provided same-sex partner health benefits from 1990 up to and including year $t-1$. Similarly, we measured the cumulative number of adoptions by others within the state (*cumulative number of adoptions in the same state*) for a focal corporation by counting the number of sampled corporations' headquarters in the same state that provided same-sex partner health benefits from 1990 up to and including year $t-1$.

Overall Tenor in Press Coverage on Benefits. The data used to construct *overall tenor in press coverage* on same-sex partner health benefits between 1990 and 2002 were drawn from the top five newspapers in the United States[2] (the *New York Times*, *USA Today*, the *Los Angeles Times*, the *Wall Street Journal*, and the *Washington Post*), complemented by major U.S. business magazines (*Fortune*, *Forbes*, *Times*, *Newsweek*, *BusinessWeek*, and *U.S. News & World Report*). To ensure complete coverage of electronically available articles for this period, we retrieved full-text articles from both Factiva and Lexis-Nexis databases. We identified 1,517 relevant, nonduplicated articles using search strings that we developed to capture the variation in terminology and alternative names related to same-sex partner health benefits.[3]

Following Weber's (1991) suggestion, we used an article as the unit of content analysis because we were interested in the tenor expressed by a press article. As suggested in prior research (e.g., Deephouse 2000), each article could include positive or negative tenors toward the reported issue. Accordingly, we coded four categories: positive, negative, balance in tenors, and neutral tenors, respectively. Before conducting systematic content analysis, one author and two coders randomly selected 10% of 1,517 articles and coded the content of the articles independently, achieving a high intercoder agreement (Cohen's kappa = 0.81).[4] Inconsistencies were discussed and consensus was reached for further coding. The two coders then each coded half of the remaining articles. Table 1 provides examples of coded tenors in 1,517 articles.

Because the information contained in press coverage tends to be unbalanced and in favor of reported events, we applied the Janis-Fader coefficient of imbalance (Janis and Fader 1965) to measure the overall tenor of press coverage on benefits in each year. The overall tenor measure provides many useful properties such as (1) a range of values between -1 and 1, (2) a meaningful zero point when there are equal numbers of positive and negative accounts, and (3) an increase/decrease in the coefficient when the number of positive/negative accounts increases. Specifically, it was calculated as

Overall tenor in press coverage
$$= [P^2 - PN]/Total^2 \quad \text{if } P > N, \quad 0 \quad \text{if } P = N,$$
$$[PN - N^2]/Total^2 \quad \text{if } N > P, \quad (2)$$

where P is the number of articles containing only positive tenors, N is the number of articles containing only negative tenors, and *Total* is the number of all the articles. A negative overall tenor for a given year would indicate that there were more articles with negative tenors than with positive tenors. The extreme value, an overall tenor of -1, would indicate that all articles had negative tenors. A positive overall tenor for a given year

would indicate that there were more articles with positive tenors than with negative tenors. The extreme value, an overall tenor of $+1$, would indicate that all articles had positive tenors.

Interaction Terms. To test our hypotheses, we constructed three sets of interaction terms. We centered the main effect variables to their means before we constructed the interaction terms, because centering variables can ease interpretation (Cohen et al. 2003). To test Hypotheses 1A and 1B, which suggest that the cumulative number of adoptions by similar others will positively moderate the effect of number of state nondiscrimination laws on the likelihood of benefits adoption, we constructed two interaction terms: *number of state nondiscrimination laws × cumulative number of adoptions in the same industry* and *number of state nondiscrimination laws × cumulative number of adoptions in the same state*, respectively. Positive coefficient estimates will provide evidence to support the hypotheses. Similarly, we constructed *number of state nondiscrimination laws × overall tenor in press coverage* to test Hypothesis 2, which suggests that the number of state nondiscrimination laws and the overall tenor in press coverage for benefits will reinforce each other to increase the likelihood of benefits adoption. A positive coefficient estimate will be evidence to support the hypothesis. Finally, Hypotheses 3A and 3B suggest that the cumulative number of adoptions by similar others will negatively moderate the effect of the overall tenor in press coverage for benefits on the likelihood of a corporation adopting the benefits. We computed two interaction terms: *cumulative number of adoptions in the same industry × overall tenor in press coverage* and *cumulative number of adoptions in the same state × overall tenor in press coverage* to test the hypotheses. Negative coefficient estimates will provide evidence to support the hypotheses.

Control Variables. In addition to the main effect variables, we included corporation-specific and environmental control variables to rule out alternative explanations of benefits adoption. First, we included a corporation's *return on assets* (*ROA*) to control for the effect of corporation performance on adoption.[5] Second, we controlled for the effect of *number of employees* (logarithmic scaling) on adoption. Larger corporations are likely to have more lesbian and gay employees, which may affect their rate of adoption compared with smaller corporations. We also controlled for the effect of *total assets* (logarithmic scaling) on adoption because large corporations tend to attract more attention from the public and media, which could influence their propensity to adopt the benefits. Finally, we grouped the corporations into seven industries based on the two digits of their primary Standard Industrial Classification codes. We then included six industry dummy variables

Table 1   Examples of Coded Tenors in Sampled Press Articles

Coding	Example
Positive tenor (when an article contains only positive tenors)	"[P]roviding benefits can also generate goodwill among employees and consumer. In some ways, a little goes a long way with us. Even a partial response to us gains a lot of loyalty and respect." (*BusinessWeek*, Oct 7, 1996, 39.)
Negative tenor (when an article contains only negative tenors)	"I cannot in good conscience extend that benefit to them because of the conviction I have that same-sex partners is wrong…. It's morally wrong what they [gays] are trying to do…and I think the majority here believes what I said…. I'm a Christian and I don't believe in that kind of stuff. I don't believe homosexuals should be treated like married people." (*USA Today*, December 2, 1993, 2A.)
Balance in tenors (when an article contains both positive and negative tenors)	"…Elizabeth Birch, executive director of the Human Rights Campaign, [said] 'This is like having a small-sized city make the decision to fully value its gay citizens…. IBM is one of the oldest and most-recognized companies in the United States. It sends a strong message to a lot of other companies.'" "Lawrence F. Burtoft, a social research analyst at conservative advocacy group Focus on the Family, was critical. [He said] 'It is an unfortunate decision because of its social effect of treating a homosexual relationship as the moral equivalent of marriage,' he said." (*Washington Post*, September 20, 1996, A01.)
Neutral tenor (when an article only reports facts or contains no positive nor negative tenors)	"Walt Disney Co has extended health benefits to partners of its gay and lesbian employees…[which] will take effect, Jan 1." (*Wall Street Journal*, October 6, 1995, B8.)

to control for industry-specific idiosyncrasies that may influence corporations' adoption decisions: (1) *mining*, *utilities*, and *construction* (89 corporations); (2) *manufacturing* (460 corporations); (3) *wholesale and retail trade* (133 corporations); (4) *transportation and warehousing* (45 corporations); (5) *information technology* (52 corporations); (6) *financial*, *real estate*, and *insurance* (111 corporations); and (7) *miscellaneous* (51 corporations). The industry group, *miscellaneous*, included corporations that did not fit in the previous six industries. The industry group was used a reference group for the analysis.

We also included several variables to control for environmental impact.[6] First, we obtained *industry unemployment rate* from the U.S. Department of Labor Bureau to control for the effect of the labor market conditions on the adoption (e.g., Ingram and Simons 1995). Second, we included the cumulative number of adoptions by other sampled corporations outside a focal corporation's industry and headquarters' state location (*cumulative number of adoptions outside industry and state*) to control for its effect on the rate of a focal corporation's adoption. Third, we controlled for the focal corporation headquarters' state legislative system that prohibited discrimination based on sexual orientation (*presence of state's nondiscrimination law*). The presence of such a law would be an indicator of the degree of social acceptance for lesbian and gay employees in the state, which may influence a corporation's adoption decision. Fourth, the state political climate may influence the rate of benefits adoption. The Democratic Party has been more supportive of lesbian and gay issues than

the Republican Party. We considered states to be dominated by the Democratic Party if the majority of representatives in both the state upper and lower houses were Democrats. The state of a focal corporation's headquarters dominated by the Democratic Party (*Democrat-dominated state*) was coded as 1, and 0 otherwise. Fifth, the total number of press articles mentioning the benefits could attract corporations' attention, which in turn could influence their decisions of adoption (cf. Pollock and Rindova 2003). Thus, we included the total number of press articles mentioning the benefits in each year (*total number of press articles*) to control for its effect on the adoption.[7] Finally, past research suggests that during election periods, lesbian and gay advocacy organizations aggressively engaged in election activities in attempts to influence the political agenda on lesbian and gay rights (e.g., O'Leary 2000). Thus, the issues of lesbian and gay rights might attract attention from corporations, which in turn would affect the adoption decision. Thus, we controlled for presidential election years by including three dummy variables for those years (*year* 1992, *year* 1996, and *year* 2000).

Descriptive statistics are given in Table 2. All correlations are within a reasonable range (below 0.60) except the correlation between the *number of state nondiscrimination laws* and *total number of press articles*, which is 0.72. Such a high level of multicollinearity could result in larger standard errors for the highly correlated variables but will not bias parameter estimates.[8] Although this does not pose a serious estimation problem, it can make it difficult to draw inferences about the effects of adding specific variables to the models. Thus, we

Table 2   Means, Standard Deviations, and Bivariate Correlations for Independent and Control Variables

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1 Number of state nondiscrimination laws (centered)	0.00	2.91	1.000																			
2 Cumulative number of adoptions in the same industry (centered)	0.00	10.76	0.003	1.000																		
3 Cumulative number of adoptions in the same state (centered)	0.00	5.41	0.000	−0.010	1.000																	
4 Overall tenor in press coverage (centered)	0.00	0.01	0.165	0.002	0.001	1.000																
5 Log(employees)	9.39	1.35	0.084	−0.031	−0.002	0.056	1.000															
6 Log(total assets)	21.78	1.56	0.165	−0.105	0.021	0.079	0.634	1.000														
7 ROA	0.03	0.11	−0.016	0.012	−0.018	0.016	0.036	−0.002	1.000													
8 Mining, utilities, and construction	0.10	0.30	0.015	−0.340	0.011	0.007	−0.200	0.097	−0.023	1.000												
9 Manufacturing	0.51	0.50	−0.005	0.665	−0.027	0.003	−0.009	−0.213	0.057	−0.343	1.000											
10 Wholesale and retail trade	0.14	0.35	0.020	−0.270	−0.033	0.005	0.082	−0.125	0.001	−0.138	−0.412	1.000										
11 Transportation and warehousing	0.05	0.21	−0.007	−0.190	0.021	−0.005	0.071	−0.007	−0.011	−0.075	−0.222	−0.090	1.000									
12 Information technology	0.05	0.22	−0.021	−0.095	0.004	−0.014	0.039	0.074	−0.009	−0.078	−0.233	−0.094	−0.051	1.000								
13 Finance, real estate, and insurance	0.10	0.30	−0.025	−0.056	0.063	−0.013	−0.030	0.401	−0.046	−0.113	−0.337	−0.136	−0.073	−0.077	1.000							
14 Industry unemployment rate	5.44	1.48	−0.392	−0.062	−0.011	−0.421	−0.064	−0.265	−0.034	0.129	−0.042	0.187	−0.044	0.044	−0.310	1.000						
15 Cumulative number of adoptions outside industry and state	9.40	9.56	0.541	−0.227	−0.072	0.453	0.099	0.179	−0.008	0.103	−0.165	0.095	0.036	0.001	−0.030	−0.514	1.000					
16 Presence of state's nondiscrimination law	0.23	0.42	0.146	0.046	0.355	−0.026	0.019	−0.007	0.011	−0.035	0.064	−0.024	−0.036	−0.038	0.018	−0.027	0.029	1.000				
17 Democrat-dominated state	0.39	0.49	−0.241	−0.031	0.139	−0.024	−0.044	−0.080	0.012	0.006	−0.043	0.027	0.039	−0.022	0.009	0.136	−0.168	0.210	1.000			
18 Total number of press articles	115.22	41.23	0.718	0.001	0.000	0.016	0.047	0.100	−0.007	0.004	0.005	0.013	−0.002	−0.009	−0.007	−0.266	0.497	0.130	−0.151	1.000		
19 Year 1992	0.09	0.29	−0.150	−0.001	0.000	−0.280	−0.039	−0.065	−0.033	−0.006	0.005	−0.009	0.000	0.007	0.007	0.434	−0.280	0.012	0.074	−0.055	1.000	
20 Year 1996	0.09	0.28	0.064	0.000	0.000	0.025	0.002	0.011	0.013	−0.005	−0.010	0.005	0.007	0.004	0.008	−0.102	−0.095	0.022	−0.042	0.280	−0.096	1.000
21 Year 2000	0.06	0.24	0.230	0.001	0.000	0.323	0.043	0.069	0.004	0.008	0.004	0.001	−0.006	−0.009	−0.012	−0.292	0.266	0.009	−0.059	0.167	−0.080	−0.078

followed a strategy of estimating hierarchically nested models to check that multicollinearity was not causing less precise parameter estimates (Kennedy 1998).

Results

Table 3 reports maximum-likelihood estimates for the analysis of Fortune 500 corporations' adoption of same-sex partner health benefits. Model 1 provides a baseline that includes the main effects of *number of state nondiscrimination laws*, *cumulative number of adoptions in the same industry*, *cumulative number of adoptions in the same state*, *overall tenor in press coverage*, and corporation and environmental control variables. Whereas the main effects of *number of state nondiscrimination laws* and *overall tenor in press coverage* are positively significant, the effects of *cumulative number of adoptions in the same industry* and *cumulative number of adoptions in the same state* are nonsignificant and marginally significant, respectively. In Models 2 through 4, we progressively added the hypothesized effects in order of our theoretical discussion, arriving at the full model with all hypothesized interaction terms (Model 4). The results of the interaction terms are consistent, and all the main effects become significant when we removed the two nonsignificant interaction terms (Model 5). The final model, Model 5, provides a significant improvement over Model 2 (as the likelihood ratio test statistics given in Table 3 shows).

Hypotheses 1A and 1B suggest that the effects of state nondiscrimination laws on the benefits adoption will depend upon the cumulative number of adoptions by similar others. In Model 5, the positive, significant coefficient estimate for *number of state nondiscrimination laws × cumulative number of adoptions in the same industry* (0.02; $p < 0.01$) provides support for Hypothesis 1A, whereas the negative, significant coefficient estimate for *number of state nondiscrimination laws × cumulative number of adoptions in the same state* (-0.029; $p < 0.01$) shows no support for Hypothesis 1B.

Hypothesis 2 suggests that the number of state nondiscrimination laws and the overall tenor in press coverage on benefits would reinforce each other to increase the rate of a corporation's adoption. The nonsignificant coefficient estimates of *number of state nondiscrimination laws × overall tenor in press coverage* in Models 3 and 4 show no support for this hypothesis. These suggest that the number of state nondiscrimination laws and the overall tenor in press coverage on the benefits only independently influenced a corporation's rate of benefits adoption in our sample.

Hypotheses 3A and 3B suggest that the cumulative number of adoptions by similar others would negatively moderate the effect of the overall tenor in press coverage for benefits on the likelihood of a corporation to adoption the benefits. The coefficient estimate for *cumulative number of adoptions in the same industry × overall*

tenor in press coverage in Model 4 is not significant. In contrast, the negative, significant coefficient estimate for *cumulative number of adoptions in the same state × overall tenor in press coverage* in Model 5 (-1.306; $p < 0.05$) provides support for Hypothesis 3B.

To illustrate how the main and interaction effects influenced a corporation's rate of benefits adoption and to observe their magnitudes, we summarize the findings graphically in Figure 2. Because our hazard rate of adoption is estimated based on an exponential function, we transformed the coefficient estimates in Model 5 into an estimated multiplier of the rate. Therefore, we plotted estimated multipliers of the rate provided by coefficient estimates by using one standard deviation (SD) above the means of correspondent variables to show the magnitudes. The dashed and solid lines in Figure 2 represent the magnitudes of main and interaction effects, respectively. The line showing the *number of state nondiscrimination laws* shows that a one SD increase in the number of state nondiscrimination laws increases the rate of a corporation's benefits adoption from 1 to approximate 5.8 ($= \exp(0.605 * 2.91)$). Using this line as a baseline, the line showing the *cumulative number of adoptions in the same industry* adds the effect of others' adoption within an industry on the rate of a corporation's benefits adoption. The multiplier of the rate decreases to approximate 2 ($= \exp(0.605 * 2.91 - 0.099 * 10.76)$) from 5.8. The line showing the *cumulative number of adoption in the same state* shows the additive main effect of others' adoption within the same state on top of the line showing the *cumulative number of adoption in the same industry*. The rate increases from 2 to about 3.6. Finally, using this line as a baseline, the line showing the *overall tenor in press coverage* shows that a one SD increase in overall tenor in press coverage further increases the rate from 3.6 to above 6.5.

Turning to the interaction effects, using the line for *overall tenor in press coverage* as a baseline, line H1A shows the interaction effect of others' adoptions in an industry and the number of state nondiscrimination laws on the rate of benefits adoption. The rate increases from 6.5 to nearly 12.5. Together with the slopes of lines for *number of state nondiscrimination laws* and *cumulative number of adoptions in the same industry*, these suggest that the cumulative number of adoptions by corporations within the same industry reinforced the positive effect of the number of state nondiscrimination laws on the benefits adoption to accelerate the rate of adoption. Although the main effect of *cumulative number of adoptions in the same industry* is negative, it is counterbalanced by the reinforcing effect.

Using line H1A as a baseline, line H1B adds the interaction effect of others' adoptions in the same state and the number of state nondiscrimination laws on the rate of benefits adoption. The rate decreases from 12.5 to nearly 7.8. Considering the positive slopes of their

Table 3   The Cox Model of Fortune 500 Corporations' Adoption of Same-Sex Partner Health Benefits, 1990–2003

	Model 1	Model 2	Model 3	Model 4	Model 5
Hypothesized interaction effects					
H1A (+)					
Number of state nondiscrimination laws (centered)		0.02	0.02	0.018	0.02
× *cumulative number of adoptions in the same industry* (centered)		[0.005]***	[0.005]***	[0.009]*	[0.005]***
H1B (+)					
Number of state nondiscrimination laws (centered)		−0.024	−0.024	−0.029	−0.029
× *cumulative number of adoptions in the same state* (centered)		[0.006]***	[0.006]***	[0.007]***	[0.007]***
H2 (+)					
Number of state nondiscrimination laws (centered)			−9.884	−10.101	
× *overall tenor in press coverage* (centered)			[22.998]	[23.177]	
H3A (−)					
Cumulative number of adoptions in the same industry (centered)				−0.261	
Overall tenor in press coverage (centered)				[0.885]	
H3B (−)					
Cumulative number of adoptions in the same state (centered)				−1.323	−1.306
Overall tenor in press coverage (centered)				[0.593]**	[0.597]**
Control variables					
Main effect variables					
Number of state nondiscrimination laws (centered)	0.586	0.601	0.562	0.563	0.605
	[0.169]***	[0.155]***	[0.190]***	[0.180]***	[0.152]***
Cumulative number of adoptions in the same industry (centered)	−0.006	−0.099	−0.098	−0.089	−0.099
	[0.009]	[0.026]***	[0.025]***	[0.047]*	[0.027]***
Cumulative number of adoptions in the same state (centered)	0.016	0.086	0.087	0.111	0.11
	[0.008]*	[0.022]***	[0.021]***	[0.024]***	[0.025]***
Overall tenor in press coverage (centered)	69.699	58.008	72.036	74.669	60.889
	[23.819]***	[23.182]**	[48.074]	[52.030]	[25.065]**
Corporation control					
Log(*employees*)	0.205	0.208	0.21	0.207	0.205
	[0.076]***	[0.074]***	[0.073]***	[0.073]***	[0.074]***
Log(*total assets*)	0.297	0.294	0.294	0.295	0.295
	[0.062]***	[0.061]***	[0.061]***	[0.060]***	[0.060]***
ROA	1.025	1.495	1.492	1.468	1.476
	[0.245]***	[0.305]***	[0.296]***	[0.287]***	[0.296]***
Mining, utilities, and construction	−0.292	−0.241	−0.238	−0.253	−0.253
	[0.480]	[0.482]	[0.487]	[0.484]	[0.479]
Manufacturing	0.03	1.247	1.219	1.163	1.272
	[0.501]	[0.602]**	[0.562]**	[0.661]*	[0.616]**
Wholesale and retail trade	0.119	0.462	0.461	0.446	0.464
	[0.377]	[0.341]	[0.341]	[0.337]	[0.341]
Transportation and warehousing	0.746	0.768	0.757	0.757	0.773
	[0.342]**	[0.324]**	[0.329]**	[0.324]**	[0.322]**
Information technology	1.127	1.526	1.513	1.483	1.523
	[0.417]***	[0.436]***	[0.425]***	[0.424]***	[0.434]***
Finance, real estate, and insurance	0.608	1.192	1.153	1.124	1.201
	[0.417]	[0.446]***	[0.435]***	[0.448]**	[0.449]***
Environmental control					
Industry unemployment rate	0.028	−0.001	−0.014	−0.009	0.005
	[0.079]	[0.087]	[0.086]	[0.086]	[0.087]
Cumulative number of adoptions outside industry and state	−0.062	−0.048	−0.048	−0.046	−0.047
	[0.027]**	[0.028]*	[0.028]*	[0.028]	[0.028]*
Presence of state's nondiscrimination law	0.599	0.495	0.495	0.458	0.457
	[0.198]***	[0.179]***	[0.179]***	[0.184]**	[0.185]**
Democrat-dominated state	−0.075	−0.115	−0.118	−0.117	−0.112
	[0.170]	[0.184]	[0.178]	[0.180]	[0.187]

Table 3   (cont'd.)

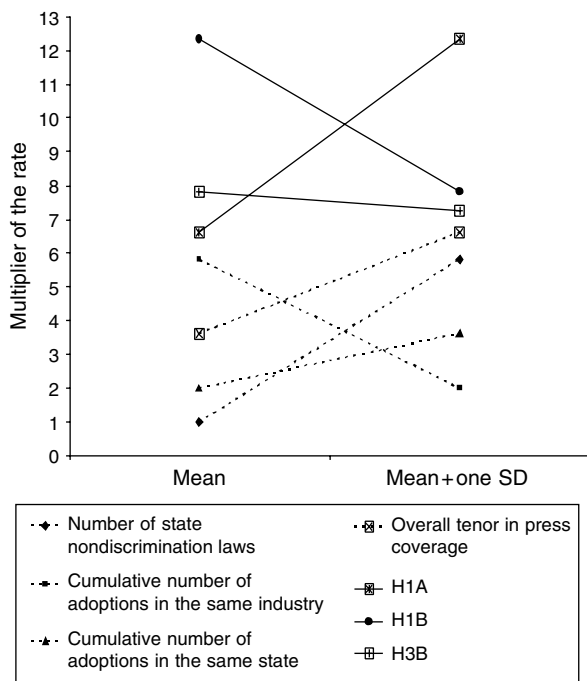|	Model 1	Model 2	Model 3	Model 4	Model 5
Total number of press articles	0.019 [0.005]***	0.016 [0.005]***	0.015 [0.005]***	0.015 [0.005]***	0.015 [0.005]***
Year 1992	0.537 [1.076]	0.684 [1.070]	0.759 [1.053]	0.767 [1.059]	0.691 [1.066]
Year 1996	−0.311 [0.506]	−0.152 [0.503]	−0.233 [0.634]	−0.218 [0.660]	−0.144 [0.506]
Year 2000	−0.284 [0.425]	−0.314 [0.442]	−0.204 [0.497]	−0.203 [0.493]	−0.314 [0.434]
Observations	9,489	9,489	9,489	9,489	9,489
Log pseudolikelihood	−1,227.2	−1,218.3	−1,218.14	−1,217.4	−1,216.59
Likelihood ratio test (df)		17.8 (2)*** M2 vs. M1	0.32 (1) n.s. M3 vs. M2	1.48 (2) n.s. M4 vs. M3	3.42 (1)* M5 vs. M2

Notes. Standard errors (in parentheses) are the robust estimator corrected for state; df, degrees of freedom; n.s., not significant.

   $*p < 0.10$; $**p < 0.05$; $***p < 0.01$ (two-tailed test).

main effects, these imply that although both institutional cues derived from the state legal environments and the cumulative number of adoptions by other corporations headquartered in the same state positively influenced adoption decisions, the positive effect of the state legal environments became smaller as the cumulative number of adoptions increased. Finally, line H3B adds the interaction effect of *others' adoptions in the same state* and the *overall tenor in press coverage*. The rate further decreases from 7.8 to 7.3. These imply that corporations paid more attention to the overall tenor in press coverage for institutional cues regarding the institutional contestation when there were few others' adoptions within state

Figure 2   Estimated Multiplier of Rate of Same-Sex Partner Benefits Adoption

of headquarters from which they could draw inferences to make adoption decisions. As the number of adoptions by other corporations increased, the tendency of the corporations to rely upon the overall tenor in press coverage to make adoption decisions decreased.

Several effects of control variables in Model 5 are worth mentioning. The significant, positive effect of *number of employees* suggests that large corporations, compared with small ones, adopted the benefits more quickly possibly because they might have a relatively large number of lesbian and gay employees. The significant, positive effect of *ROA* might imply that corporations with better performance might have more resources to buffer the potential costs associated with the benefits, and therefore are more likely to adopt the benefits. The negative effect of *cumulative number of adoptions outside industry and state* and the positive effect of *presence of state's nondiscrimination law* together with the effects of cumulative adoptions in the same industry and in the same state suggest that the benefits adoption was primarily diffused through the states where there were high numbers of prior adoptions and legislation forbidding discrimination based on sexual orientation. Finally, the positive coefficient estimate for *total number of press articles* suggests that the higher the frequency of press articles covering the benefits, the greater the rate at which a corporation will offer health benefits to partners of its lesbian and gay employees.

Discussion

We began this study by exploring how a controversial practice diffused throughout large American corporations, especially when the practice was inconsistent with broad societal norms and values. Past research on the diffusion of organizational practices derived from institutional analysis has focused primarily on the practices

that are less subject to social evaluations, such as multidivisional structure (e.g., Palmer et al. 1993), intercollegiate sport programs (Washington and Ventresca 2004), investor relations offices (Rao and Sivakumar 1999), and total quality management techniques (e.g., Burns and Wholey 1993, Staw and Epstein 2000). However, there are practices that are often subject to negative social evaluations or stigmatization (e.g., Hudson 2008, Hudson and Okhuysen 2009). These practices sometimes reflect institutions that are mutually exclusive to the prevailing institutions and induce contestation between proponents and opponents of both institutions. By adopting such practices, organizations can then be particularly vulnerable to resource instability. Nevertheless, some controversial, socially stigmatized practices do diffuse throughout organizational fields and put the institutions they manifest on the path to institutionalization.

Our study expanded institutional accounts of organizational practice diffusion by showing how the diffusion of a controversial, socially stigmatized practice like same-sex partner health benefits was subject to interactive influences of coercive, mimetic, and normative mechanisms. Though the results of our baseline model (the main effects of these mechanisms) were mostly consistent with what institutional analysis would have predicted, our examination of the interactive influences provided important qualifications as to how these mechanisms work.

First, most discussions on how institutional mechanisms influence the diffusion of organizational practices have been centered on various forms of mimetic mechanisms (Mizruchi and Fein 1999). Little attention has been devoted to explaining how the mimetic mechanisms could influence the effects of other mechanisms on the diffusion. Our results show that a mimetic mechanism stemming from geographic proximity seemed to play an important role in influencing the diffusion of the benefits (cf. Davis and Greve 1997). Faced with uncertainty associated with contestation between two mutually exclusive institutions, geographic proximity served an important vehicle to help corporations enact changing local sociocultural attitudes and beliefs toward the evolving institutions of workplace heterosexism and of equal treatment for lesbian and gay employees in the workplace. Such proximity also created opportunities for potential adopters to acquire knowledge and information associated with benefits adoption (Raeburn 2004). As the number of adoptions increased, the model of the benefits was further understood (Scott 2001). This then increased a corporation's capacity to put the benefits into practice (Greenwood and Hinings 1996). However, such adoptions weakened the influence of the number of state nondiscrimination laws (coercive) and the overall tenor in press coverage (normative) on the benefits adoption. Although the state legal environments and the overall

tenor in press coverage helped to form the regulatory element of the equal treatment institution and reduce normative uncertainty associated with evolving institutional environments, they seldom provided any concrete prescriptions for action that could enhance a corporation's capacity for adoption. As the number of adoptions in the same state increased, the cognitive model of the benefits and a corporation's capacity for action were further enhanced. These, in turn, decreased the corporation's propensity to attend to the state legal environments and the overall tenor in press coverage for institutional cues.

Second, past research on the influence of prior adoptions in an industry on the diffusion of organizational practices has provided some mixed results. Whereas Davis and Greve (1997) found a positive effect of prior adoptions in an industry on the practice diffusion, Rao and Sivakumar (1999) and Sanders and Tuschke (2007) reported small and negative effects, respectively. Though the mixed results could be driven by the characteristics of research contexts in these studies, it is possible that the influence of industry peers' adoptions might depend upon the availability of other mechanisms, particularly when the practices are socially stigmatized and controversial. Our results demonstrated such possibility. Specifically, the fear of hostile activities initiated by anti-gay activism created a significant barrier for the benefits adoption, which made the cognitive model of same-sex partner health benefits difficult to establish in an industry. (Unlike the adoptions by other corporations within the same geographic locations, the cumulative number of adoptions by others in the same industry might lack geographic proximity that would facilitate information and knowledge transfer to enhance the cognitive model of the benefits.) This then slowed down a corporation's rate of adoption. Not until state legal environments collectively attended to the institution of equal treatment (i.e., increases in state nondiscrimination laws) and invited corporations to elaborate the essence of such laws did the potential adopters have motivations to exercise their capacity derived from others' adoptions to adopt the benefits. To this end, together with the negative effect of the cumulative number of adoptions by other corporations outside the industry and the state, these points further highlight the role that geographic proximity played in the diffusion of the contested same-sex partner health benefits.

Our analysis of the joint influences of three types of mechanisms revealed an interesting pattern of controversial or socially stigmatized practice diffusion and answered the call for examining such processes (Scott 2001). Faced with their own insufficient knowledge about evolving institutional environments, organizations can draw upon multiple institutional cues to manage their resource stability. However, we did not find an interactive influence of state nondiscrimination laws and

the overall tenor in press coverage on the benefits adoption, nor did we find an interactive influence of the cumulative number of adoptions in an industry and the overall tenor in press coverage on the benefits adoption. These nonsignificant findings point to the need to further investigate how coercive and normative mechanisms work in the context of institutional contestation. It is possible that the nature of the coercive mechanism evolves with institutional contestation. Unlike prior studies where negative sanctioning was a central component of coercive mechanisms (e.g., Sanders and Tuschke 2007), a state law forbidding discrimination based on sexual orientation did not impose any negative sanctioning, nor did it provide concrete meaning of nondiscrimination. Thus, deviance from the essence of the law could be anticipated in the early stage of institutionalization (cf. Edelman 1992, Edelman and Suchman 1997). As the institution of equal treatment for lesbian and gay employees became more institutionalized, the meaning of nondiscrimination based on sexual orientation may also have become more established. Therefore, it is plausible that the effect of state laws forbidding discrimination based on sexual orientation on the adoption of benefits might depend more on other institutional mechanisms in the early stage of institutionalization.

Similarly, the normative influences of the overall tenor in press coverage might evolve with institutional contestation in the context of two mutually exclusive institutions. Varying levels of institutional contestation intensity over time (either in the early or late stage of contestation) may cause shifts in the overall tenor of press coverage (either more negative or more positive). Therefore, the effect of the overall tenor on the adoption of benefits might be dependent upon the intensity of contestation between anti- and pro-gay forces. These in turn influenced the likelihood of organizations to attend to other institutional cues to cope with uncertainty. More broadly, institutional theory has contended that the mechanisms underlying the diffusion of organizational practices can differ between early and late stages of institutionalization processes (e.g., Tolbert and Zucker 1983, Kennedy and Fiss 2009). Hoffman (1999) suggested that the strengths of institutional mechanisms' influences on the institutionalization of institutions vary across stages, and the mechanisms tend to coexist and evolve with one another. We wonder if the interactive influences of the three types of mechanisms vary across different stages of institutionalization (i.e., early and late stages) and what would account for such differential influences in the context of institutional contestation. Relatedly, past research on the stages of institutionalization has tended to focus on practices with positive or neutral social evaluations (e.g., Tolbert and Zucker 1983, Sanders and Tuschke 2007). We wonder if the institutionalization of socially stigmatized practices would have different patterns from what have been

found in the prior studies. Perhaps there would be more prolonged early stages where proponents and opponents of the practices mobilize resources to seek and block recognition of the practices from their institutional environments.

Our attention to press coverage complements research into the (de)institutionalization of organizational practices and institutions in that we showed how the overall tenor in press coverage is a powerful institutional intermediary in shaping institutional and organizational change (through its main effect and interaction with adoptions of other organizations). Past research has suggested that corporations use the media to legitimate their activities (e.g., Elsbach 1994) and to make market entry decisions (Lee and Paruchuri 2008), and that entrepreneurs' intentions to set up new ventures are influenced by press coverage on the emergent business models (Sine et al. 2008). In contrast, our results suggest that corporations look to the media for institutional cues to reduce uncertainty associated with emerging and contested institutions and their arrangements. Although the results provide some evidence regarding the effects of media, there are still many questions to be addressed. For example, McAdam and Scott (2005) argued that framing processes and activities could play important roles in institutional change. We suspect that press coverage could serve as a vehicle for proponents and opponents of institutions to engage in such processes and activities. Future research into how and what types of framing processes and activities shape the (de)institutionalization of institutions and organizational practices is welcome.

Finally, our focus on policies supportive of lesbian and gay employees provides some of the first systematic evidence of the diffusion processes of such policies; at the same time, our study remains subject to some questions regarding other forces affecting benefits adoption. For instance, we were unable to further explore how shifts in demography may have affected workplace heterosexism. We were also not able to address changes in intraorganizational dynamics coupling with changes in institutional environments that may contribute to adoption, such as changes in attitudes and values of decision makers (Oliver 1992, Greenwood and Hinings 1996). Furthermore, the provision of same-sex partner health benefits is only one indicator of equal treatment for lesbian and gay employees and is not necessarily sufficient to alter the everyday experiences of heterosexism in the workplace (Ragins and Cornwell 2001). The adoption of benefits could also be substantive or symbolic (Westphal et al. 1997). We wonder what factors shape the depth of adoption and the degree of workplace heterosexism, which in turn affect employees' behavior and outcomes.

Although the focus of this study has been explaining macrolevel factors influencing the (de)institutionalization of institutions and organizational practices,

there are practical implications to these findings. Specifically, managers faced with institutional contestation should consider attending to various sources of institutional cues such as legal environments, prior adopters that are geographically close, and press coverage in their decision making. Perhaps attention to such institutional cues is more critical for poorly performing organizations in that their lack of resources may not provide a cushion to buffer the potential negative consequences if they adopt controversial practices.

Conclusion

We have shown that the diffusion of a controversial and socially stigmatized practice, same-sex partner health benefits in particular, is subject to interactive influences of various institutional cues and mechanisms. Corporations maneuver between institutions and seek institutional cues to manage their resource stability. We see great value in building upon the multifaceted processes in the study of institutions and organizational change.

Acknowledgments

Endnotes

[1]Of the 208 corporations that adopted the benefits, only ExxonMobil stopped offering the benefits when Mobil was acquired by Exxon in 1999. At the time of the acquisition, Mobil offered health benefits to partners of lesbian and gay employees, whereas Exxon did not. After the acquisition, ExxonMobil stopped offering the benefits to newly hired employees, although Mobil's employees who were entitled to the benefits remained entitled to the benefits.

[2]The top five newspapers were chosen to maintain a manageable coding process and because of a lack of comprehensive coverage for many smaller newspapers in the databases. We obtained the rankings of newspapers from *Editor & Publishers International Year Book*. These five newspapers were ranked as the top five newspapers in terms of circulation during the observed period, except the *Washington Post*, which was ranked Number 6 in 1990.

[3]The search strings we developed to retrieve articles included same-sex benefits, domestic partner benefits, DP benefits, opposite sex benefits, same-sex partners, same-sex relationship, (same-sex) and benefits, (gay or lesbian or transsexuals) and (benefits) and (employees), (same-sex union) and (benefits), (domestic partner) and (benefits), (homosexuals) and (partner benefit), and (sexual orientation) and (benefits). We excluded any articles referring to domestic partner benefits only because our interest is on the benefits for same-sex couples, not the benefits for unmarried opposite-sex couples.

[4]Our original search retrieved 4,481 articles, excluding duplicates (articles retrieved from both Factiva and Lexis-Nexis).

One author and two coders randomly selected 100 articles to identify relevant articles, achieving full intercoder agreement (Cohen's kappa of 1.00) for relevance. Throughout the coding process, the two coders were not informed of the purposes of this study.

[5]In a separate analysis not reported here, we also included various measures of organizational slack (e.g., Bromiley 1991) to directly control for its effect on the adoption of same-sex partner health benefits. The significance levels of our theoretical variables remained the same as the analysis reported below. Because of missing data, however, the numbers of corporations at risk and adoptions were reduced to 717 and 127, respectively.

[6]Ideally, we could have controlled for the number of disclosed same-sex couples. However, reliable annual data were not available (the first time that the U.S. Census Bureau included a more direct measure was in 2000).

[7]We also conducted a sensitivity analysis in which we constructed the total numbers of articles in the prior two years and in the prior three years, and overall tenors in press coverage in the prior two years and in the prior three years. The results did not differ qualitatively from those reported below.

[8]We also performed a variation inflation factor (VIF) test. A maximum VIF was 7.30, and the average of VIFs in our full model (Model 5) was 4.39, lower than the rule-of-thumb threshold value of 10 used to indicate multicollinearity problems in regression models.

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