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Introduction: Revisiting the Roles and Responsibilities of Trade Associations

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Abstract

We explain that the reasons for this Dialog stem from the enduring gaps in our understanding of what trade associations are, how they work, and what impact they have on members, industries, markets, and societies. The Dialog includes an opening paper by Thomas Lawton, Tazeeb Rajwani and Amy Minto and is followed by contributions from Michael Barnett, Steven Kahl, Lyn Spillman, and Howard Aldrich. Building on previous and ongoing research, each author reflected on the key questions driving this Dialog: *Do trade associations matter and if so, how?* We argue that not only do they matter but more attention needs to be given to their roles and responsibilities.

Keywords

trade association, roles, responsibilities

Introduction

This Dialog is prompted by the enduring gaps in our understanding of what trade associations are, how they work, and what impact they have on members, industries, markets, and societies. In addition to our opening article (coauthored with Amy Minto), we bring together contributions from Michael Barnett, Steven Kahl, Lyn Spillman, and Howard Aldrich. Building on previous and ongoing research, each reflected on the key questions driving this Dialog: *Do trade associations matter and if so, how?* We argue that not only do they matter but more attention needs to be given to their roles and responsibilities.

In the article by Lawton, Rajwani, and Minto, we suggest that the organizational characteristics of trade associations need more attention, and we provide theoretical approaches for undertaking management and organization research into or involving trade associations. Through emphasizing the role of trade associations within and between industries, and at the interface of business and society, we consider how they generate meaning and influence.

Michael Barnett suggests that the management literature should better recognize the endogeneity of industry and develop a more thorough understanding of the mechanisms through which firms come together to affect industry. Drawing on his previous work (Barnett, 2013), he uses three critical motivations to explore trade associations: first, economic self-interest to show why these organizations invest into communal strategies; second, sociological identity and how it can assist trade association member firms in cooperating across industries; and third, meta-organizational management to help scholars understand the role of managers and how they organize themselves within these organizations.

Lyn Spillman uses sociological constructs to argue that we have persistently neglected to empirically and theoretically explore trade associations in depth. Drawing on her research (Spillman, 2012; Spillman & Strand, 2013), she explains that the well-established growth of trade associations as a cooperative organizational form challenges the fundamental assumptions that business is entirely “anomic and competitive.” She therefore finds that the most important function of trade associations is as a cultural producer. Spillman argues that scholars should consider the goals, strategies, and activities of a trade association as a stable, long-lasting institutional portfolio from which a trade association selects, depending on specific circumstances. This means that the impact of trade associations should not be overgeneralized, but rather that scholars must investigate their roles and responsibilities over time and articulate the conditions under which specific activities, such as education or policy monitoring, become consequential. Furthermore, Spillman discusses when and why firms might choose a form of governance and coordination, compared with other available forms. She notes that the reasons may vary depending on the type of association involved, which concurs with our previous research (Lawton, Doh, & Rajwani, 2013; Rajwani, Lawton, & Phillips, 2015).

In his contribution, Steven Kahl introduces how and why trade associations can influence market discourse. He shows

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that much less attention has been paid to trade associations and their role in developing and managing the cognitive beliefs and interpretations that underlie markets (see also Kahl, 2014). Trade associations are heavily involved in identifying new trends and interpreting current events, as well as generating reports and proceedings that contribute to the broader market discourse. He builds on Kahl and Grodal (2016) to articulate how trade associations become a locale of discourse production, authoritarian voice, and an active voice in their industries (see also Rajwani et al., 2015). Finally, Kahl illustrates how trade associations invest time to learn about new trends and technologies that can influence industry or occupation by controlling who and what participates in the discourse.

Howard Aldrich has been at the forefront of trade association research for more than 30 years (Aldrich & Staber, 1988; Staber & Aldrich, 1983). In his contribution to this Dialogue, he deploys a sociological lens to argue that the most important functions of trade associations are cultural and evolutionary. In drawing on population ecology theory and evolutionary theory to analyze trade association roles and functions, he supports arguments made throughout this Dialog that we need more empirical research on trade associations, particularly governance and efforts to create and defend boundaries. Aldrich also notes that for scholars using historical and comparative frameworks within an institutional theory context, the study of trade associations presents an opportunity to investigate similar kinds of organizations in different institutional settings. Finally, for social scientists interested in social and economic justice, trade associations represent powerful actors with the potential to undermine the pursuit of collective action for achieving public goods. Aldrich concludes that these ideas and themes deserve more attention from the organization and management research community.

In this Dialog, we offer a range of disciplinary and theoretical perspectives on the roles and responsibilities of trade associations. We collectively conclude that trade associations matter, as meta-organizations, as industry voices, and as a subject for further research in management and organization research. To comprehensively understand the influence and impact of trade associations, this research might be undertaken at a variety of levels, ranging from population,

through industry, to firm and individual. Organization design, cultural production, and the resource-based view all provide rich theoretical pathways to frame and explain the roles and responsibilities of trade associations.

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