

AN ANALYSIS OF THE SOCIAL POWER
POSITION OF THE REAL ESTATE BOARD IN
GRAND RAPIDS, MICHIGAN

Thesis for the Degree of Ph. D.
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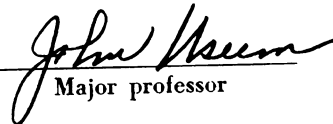
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MICHIGAN

By
DONALD HERBERT BOUMA

A THESIS

Submitted to the School of Graduate Studies of Michigan
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AN ABSTRACT

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ABSTRACT

This study is concerned with analyzing the social power position of the Real Estate Board in Grand Rapids, Michigan. Social power is considered as the combination of influence and authority within a social system for making, legitimizing, and executing decisions. The primary focus is the Board as a system of influence which has played a large part in the shaping of community-wide decisions. The problem was to ascertain the bases for the power position, or the social capital resources of the Board which permitted it to exercise its social power so effectively that it has never lost a decision in the arena of public elections, regardless of the alignment of opposing power blocs.

Of concern, also, were the legitimizing efforts of the Board whereby its participation in the making of decisions was validated, and the limitations which circumscribed the power position.

The problem was approached in three ways. The official minutes and records of the Real Estate Board were scrutinized to determine the kinds of community decisions in which it was interested and the techniques employed to influence the making of decisions, both in the arena of public elections and that of

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authority. Individual realtors and those persons holding leadership positions in the community were interviewed to determine the Board image and the community image of the power position. The alignment of power blocs on a number of controversial issues was determined by newspaper analysis as well as through the participant-observer technique.

The factors which were found to be basically involved in the social power position of the Board included the following items: the social cohesion of the group and its mechanisms of social control over the membership; the multiple-listing system which provided the Board with a mode of operation enabling it to make immediate decisions on issues that arose and to immediately implement them; the cumulative nature of social power; the social capital available to the group because of the technical information it possessed; the awareness of, sensitivity toward, and identification with the value systems of the community; direct participation of Board members in authority positions; the techniques for handling opposing power blocs; the effective manipulation of symbols; and the adequacy of the legitimation processes.

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Other findings of the study were: Social power as exercised by the group of influence was negatively evaluated in the community, and this was an area of vulnerability for the power group. Prestige and influence operated as independent variables. To the extent that the power group was successful in influencing decisions in the arena of public elections, its ability to influence decisions in the arena of authority was strengthened. There was stimulative interaction between the ability to influence decisions and recognized success in this process; i.e., social power tended to be cumulative. To the extent that the group was successful in influencing decisions, its advice was sought on certain issues by those interested in social action; and the power position was thus reinforced.

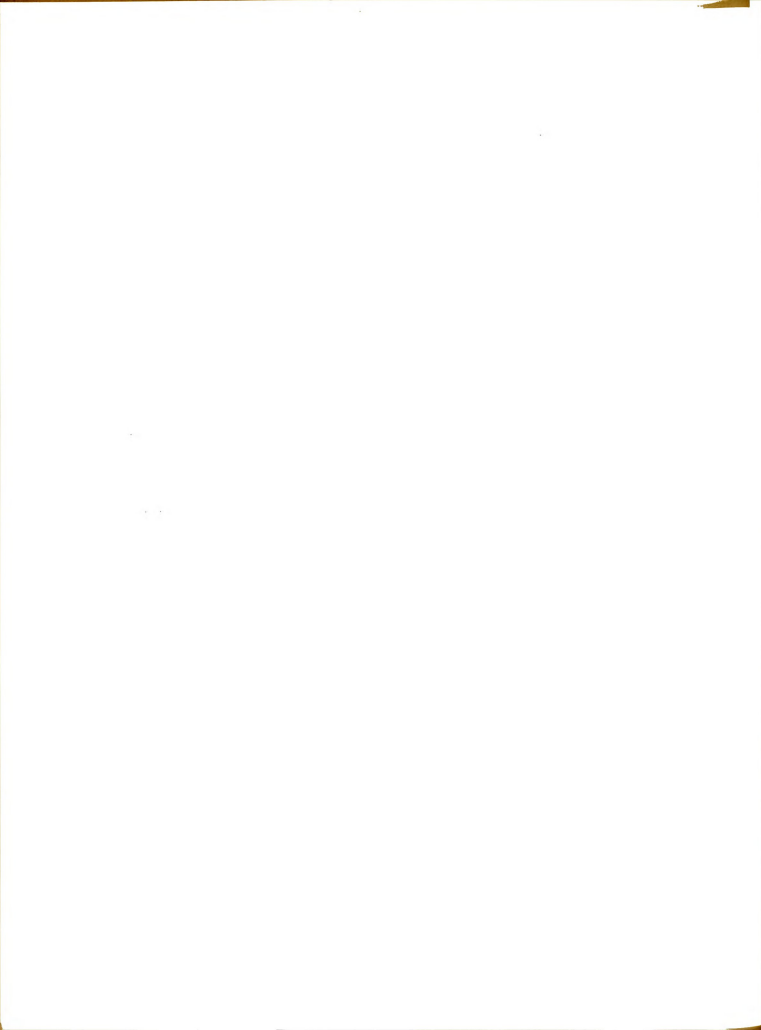


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CHAPTER I

INTRODUCTION

A. Purpose and Scope

Recent theoretical and empirical developments in the sociology of power have resulted in a new focus of attention on the basic ingredients and the dynamics of the decision-making processes. This concern ranges all the way from the community level of purely local interest in getting a decision on such a matter as a school building program to the international level where decisions involve consequences of extensive significance.

Historically, studies of the decision-making process have been primarily concerned with the formal authority structure, with legislatures, councils, commissions, and the like. It has been primarily a political science concern. However, as MacIver indicated, "The power wielded by government constitutes only one of several foci and kinds of power within a society."¹

¹ Robert MacIver, The Web of Government (New York: Macmillan, 1947), p. 87.

He contends that social power inheres in all social relations and in all social organizations. This tendency to identify power and politics, setting it in a political rather than a sociological context, obscures the larger area in which social power is manifest.

More recently there has been a growing interest in the impact on the decision-making processes of so-called "lobby" or "pressure" groups which are purportedly of a nonpolitical nature. However, the study of the ongoing dynamic processes in a community which play a vital, if little recognized, part in shaping social decisions lies on the frontier of sociological research.

Robert S. Lynd is reportedly working on a book on social power in which he regards power as "the great forgotten 'X' in the intellectual propositions by which society operates" and as a crucial concept for any theory of social change.²

The present study deals with the problem of social power on the community level. The focus was the impact of nongovernmental

² Robert Bierstedt, "Sociological Theory: Work in Progress," American Sociological Review, February, 1952, p. 82.

forces on the making, legitimizing, and executing of community-wide decisions. The social power of these nongovernmental forces is called influence. The term "authority" is reserved for those having the legally recognized prerogatives for making community decisions. These distinctions will be sharpened in a subsequent section of this chapter.

In order to arrive at the basic factors in the influencing of community decisions, the study was limited to an intensive analysis of one social organization which was particularly active and uniquely effective in determining decisions in the community involved in the research. Although this approach eliminated from primary focus other influence groups, it was felt that what was lost in breadth would be gained in depth, and that what was needed in the present state of research in this area was a rifle, rather than a shotgun attack. Typical of the shotgun approach to social power is the work of Lasswell with his proliferation of theorems and propositions.³ His pellets strike glancing blows at every conceivable phase of power, authority, and influence; but the penetration

³ Harold D. Lasswell and Abraham Kaplan, Power and Society (New Haven: Yale University Press, 1950).

*On what basis do you make these
social assertions?*

is slight, both in terms of theoretical clarity and consistency, and still less in terms of empirical validation.

Hence, the study was primarily confined to an analysis of the influence position of the Grand Rapids Real Estate Board in the social power processes of the community. Authority factors and other influence groups are of concern only in a secondary sense as they are encountered by the Board in the making of community-wide decisions.

Although the focus of the study was the Real Estate Board in Grand Rapids, Michigan, this was not, in a sense, a study of the Board, even less of Grand Rapids. The Board was not considered to be typical of all real estate boards, nor even of all influence groups. The Board's influence on community decisions merely provided the material for an investigation of the structure and dynamics of social power in one community. Neither was Grand Rapids considered to be a typical community. For the purposes of this study it did not need to be. The interest was not in determining who the influentials were in the community, but in discovering the processes underlying an influence position.

Lazarsfeld did not find Erie County to be a typical county, either, in the study he made on voting preferences; but he did not feel this was necessary, since " . . . we were not interested in how people voted but in why they voted as they did." He was interested also in discovering "certain processes underlying opinion formation and political behavior."⁴

This, then, was not intended to be a community study in the sense that such studies are usually considered. In the main, contemporary community studies have emphasized investigation of the major features of the community, rather than emphasizing the dynamics of a specific action program. Neither was this intended to be a comparative study. Although other studies of social power are in progress in other communities, there was no attempt here to throw the influence pattern and process of Grand Rapids against the experience of these other communities. This will become increasingly necessary and profitable, however, as the research results in this area become more available.

This study might be viewed as aiming at the development of what Merton would call theories of the middle range. He wrote:

⁴ Paul F. Lazarsfeld et al., The People's Choice (New York: Columbia University Press, 1948), p. 9.

. . . sociology will advance in the degree that its major concern is with developing theories of the middle range and will be frustrated if attention centers on theory in the large. I believe that our major task today is to develop special theories applicable to limited ranges of data--theories, for example, of class dynamics, of conflict--ing group pressures, of the flow of power and the exercise of interpersonal influence--rather than to seek at once the "integrated" conceptual structure adequate to derive all these and other theories. To say that both the general and the special theories are needed is to be correct and banal: the problem is one of allocating our scant resources.⁵

So the concern here was not with the development of a complete theory of social power, in the sense that Lasswell attempted it; nor with the construction of an integrated, systematic conception of community behavior. However, neither were the mere empirical data the chief concern. The study was more than the Real Estate Board in Grand Rapids, but less than a total theoretical system.

In summary, the purpose of this study was to analyze a group active in the community decision-making processes in order to arrive at generalizations concerning the influence component of social power which may be tested in other community studies.

⁵ Robert K. Merton, Social Theory and Social Structure (Glencoe, Ill.: Free Press, 1949), p. 9.

B. Conceptual Framework

The term "social power" has been variously used in the literature. Its early usage has been conditioned by the way in which Max Weber used the term. He defined power as the "chance of a man or of a number of men to realize their own will in a communal action even against the resistance of others who are participating in the action."⁶ His development of this concept of power as naked force or might, and his emphasis on the imposition of the will of social actors on others, conceals other equally significant processes in the power relationships.

Robert MacIver, after bemoaning the lack of studies on the nature of social power, writes that the majority of the works on the theme are devoted either to proclaiming the importance of the role of power, like those of Hobbes, Gumpłowicz, Ratzenhofer, Steinmetz, Treitschke, and so forth, or to deploring that role, like Bertrand Russell in his Power.⁷

⁶ H. H. Gerth and C. Wright Mills, From Max Weber: Essays in Sociology (New York: Oxford University Press, 1946), p. 180.

⁷ Robert MacIver, op. cit., p. 458.

This suggests the moral element in the conception of power which has resulted in many viewing it as an ethical problem rather than as social structure and process. John Useem has indicated that whereas there are ethical sanctions for acquiring wealth in the United States, "only limited moral equivalents sustain the pursuit of power. The social image of the man of wealth tends to be an affirmative one while the image of the man of power is to a considerable degree negative."⁸

Social power has also frequently been identified with both social status and wealth. In a number of studies, including Middletown in Transition⁹ and Yankee City,¹⁰ the assumption is made that power, status, and wealth coincide. Although there is no doubt that interrelationships exist, distinctions between the three are of importance. For example, in many communities the old upper class, without loss of wealth or prestige, has lost

⁸ John Useem, "The Sociology of Power," paper read at annual meeting of the American Sociological Society, Denver, Sept. 8, 1950.

⁹ Robert S. Lynd and Helen M. Lynd, Middletown in Transition (New York: Harcourt, Brace & Co., 1937).

¹⁰ W. Lloyd Warner and Paul S. Lunt, The Social Life of a Modern Community (New Haven: Yale University Press, 1941).

its power to new elites of less wealth and prestige; or, on the other hand, have lost wealth without concomitant loss of power or prestige. It is important to distinguish what interrelationships and conversions are possible in any community, and using the terms interchangeably can only serve to blur meaningful relationships.

E. A. Ross posited a causal relationship between power and prestige. "The immediate cause of the location of power," says Ross, "is prestige. The class that has the most prestige will have the most power."¹¹ That this is an oversimplification and only partly true should be obvious. Prestige is frequently unaccompanied by power, and one may have power without concomitant prestige, especially in a society which places a negative value on power. It is also just as easy to find examples of prestige rooting from power as of power rooting from prestige.

Illustrative of the independent operation of prestige and power is the case of Polish Paula, madame of a brothel, cited

¹¹ E. A. Ross, Social Control (New York: Macmillan, 1916), p. 78.

by Hollingshead.¹² She was considered to have considerable power, indicated, for one thing, by the differential enforcement of the law--her "house" had not been raided for over a quarter of a century. However, in spite of her considerable power and high income she occupied a low-prestige position.

On the other hand, Hollingshead also provides an example of the coincidence of power, prestige, and wealth when he cites the interview with a member of "one of the most highly respected families in the community":

That's the most powerful group in town. I call them the first generation of matriarchs because they're so powerful There are only eleven left This is the group that can really put the pressure on. They own a lot of interests, land, town property, the banks and other things, and they have great prestige and power. When they want something done, they bear down on their children, in-laws, relatives, and grandchildren. If voting's involved, they let their tenants and employees know how they feel. When an issue comes up, I can see this crowd pull together. I've seen them take sides on so many issues I can just about tell ahead of time how they'll line up. When something comes up, the matriarchs run to the telephone and those lines buzz. Then they visit each other and talk it over. This is the crowd around here you'll have to be careful with . . .¹³

¹² August B. Hollingshead, Elmtown's Youth (New York: John Wiley & Sons, 1949), p. 79.

¹³ Ibid., p. 72.

The foregoing interview also exhibits some of the techniques by which power is exercised.

Bierstedt attempts to delineate his conception of social power by setting up distinctions, in turn, between power and prestige, power and influence, power and dominance, and power and rights.¹⁴ He concludes that power is "neither force nor authority but, in a sense, their synthesis." He develops three propositions: "Power is latent force. Force is manifest power. Authority is institutionalized power." Power then becomes a potential for the employment of force, not its actual employment. "Power symbolizes the force which may be applied in any social situation," he said, "and supports the authority which is applied." By this token he asserts that power is always successful; when it is not successful it is not, or ceases to be, power.

He finds the locus of power in society in formal organization, where it becomes institutionalized as authority, uninstitutionalized in the informal organization of associations, and "even

¹⁴ Robert Bierstedt, "An Analysis of Social Power," American Sociological Review, December, 1950, Vol. 15, No. 6, pp. 730-38.

more important where it reigns, uninstitutionalized, in the interstices between associations and has its locus in the community itself." Bierstedt locates the sources of power in numbers of people (especially majorities); in social organization, suggesting, in a vein similar to that of Mosca,¹⁵ that an organized minority can control an unorganized majority; and in resources, which may include such things as money, property, prestige, knowledge, competence, deceit, fraud, and the like.

Goldhamer and Shils say that "a person may be said to have power to the extent that he influences the behavior of others in accordance with his own intentions."¹⁶ They suggest three major forms of power in terms of the type of influence brought to bear upon the subordinated individual. They are: Force, or the influencing of behavior by a physical manipulation of the subordinated individual through such techniques as assault or confinement; domination, or the influencing of behavior by making

¹⁵ Gaetano Mosca, The Ruling Class (New York: McGraw-Hill, 1939), p. xv.

¹⁶ Herbert Goldhamer and Edward A. Shils, "Types of Power and Status," American Journal of Sociology, vol. 45, No. 2, Sept., 1939, pp. 171 ff.

explicit to others what is wanted of them by means of a command or request; and manipulation, or the influencing of behavior without making explicit the behavior expected, often exercised by utilizing symbols, such as in propaganda, or performing acts. The distinction between domination and manipulation rests on the degree to which the power-holder makes his intention explicit to the person whose behavior he wants to influence, and hence the two often shade off into each other.

They distinguish between legitimate power and coercion. In the former case, the legitimacy of the exercise of power is acknowledged by the subordinated individuals, and in the latter case it is not. The three major forms of legitimate power, borrowed from Max Weber, are legal (beliefs in legality of laws, codes, decrees, etc.); traditional or the sanctity of traditions; and charismatic, involving a devotion to the personal qualities of the office-holder. The authors admit that manipulation cannot be legitimate power, since there is no recognition by the subordinated individual that an act of power has been effected, thus by implication making it coercion. However, by making manipulation to be coercion and recognized acts of domination, and some cases of force to be legitimate power and not coercion,

seems to throw the conceptual framework into a confused ambiguity.

As Merton contends, "To speak of 'legitimate power' or authority is often to use an elliptical and misleading phrase. Power may be legitimized for some without being legitimized for all groups in a society."¹⁷

Mosca used the term "ruling class" in much the same sense that others have used the term "social power." The "ruling class" to him was that group of people who "actually and directly participate in government or influence it,"¹⁸ Both those who had the authoritative prerogatives for decision-making, and those who had influence, were encompassed by this designation.

De Jouvenel uses power to refer only to the central government authority in states or communities, and excludes entirely the influence factor.¹⁹

¹⁷ Robert K. Merton, op. cit., p. 116.

¹⁸ Gaetano Mosca, op. cit., p. xli.

¹⁹ Bertrand DeJouvenel, On Power: Its Nature and the History of its Growth (New York: Viking Press, 1949).

MacIver stresses the multiformity of power. "By social power," he says, "we mean the capacity to control the behavior of others either directly by fiat or indirectly by the manipulation of available means." This capacity rests on the possession of means such as property or status, depending on the type of prevailing culture.²⁰ He distinguishes power from authority, which to him involves legitimation.

By authority we mean the established right, within any social order, to determine policies, to pronounce judgments on relevant issues, and to settle controversies, or, more broadly, to act as leader or guide to other men The accent is primarily on right, not power. Power alone has no legitimacy, no mandate, no office.²¹

Legitimation of authority for MacIver is not a matter of legal prerogative, but of social sanction; and he speaks of "authority-fashioning forces" in various cultural contexts. Although he insists that "power of itself is not authority," the distinction between the two is not at all clearly drawn, as a comparison of the above two definitions will indicate. If social power is the capacity to control directly or indirectly the behavior of

²⁰ MacIver, op. cit., p. 87.

²¹ Ibid., p. 83.

others, there must be the "established right" to do so, whatever may be the basis.

MacIver does not use the term "influence" in his conceptual framework, although the use of such a term would add clarity to the distinctions he attempts. However, he does allude to the interplay between the power of government, which is called authority in this study; and the other types of power, which is called influence in this study. He writes:

. . . social power inheres in all social relations and in social organizations. The power of government is one aspect of power among many. It is formally supreme in the sense that government alone has the ultimate right to use direct coercion. Formally it assigns limit and place to all other exercises of power. But this statement is barren if not supplemented by the further statement that government itself is a creature of society and is subject to the pulls and pressures of the other foci of power. What power the government wields and to what ends it directs this power depends on these other forces, on the manner in which they are operatively adjusted to one another in the struggle and clash, the convergence and divergence, of power-possessing interests.²²

Lasswell has worked extensively in a theoretical sense with the concept of power. In one instance he defines power as the "making of important decisions," with importance being

²² Ibid., p. 90.

measured by their effect on the distribution of values. Values refer to such objects of desire as deference, well-being or safety, and income. "The power of individuals and groups is measured by the degree of their participation in the making of important decisions."²³ Later in this same work he broadens his definition of power to include not only the actual participation, but also the ability to participate in the making of decisions. Although he does not use the term "influence," Lasswell does recognize nonauthoritarian power when he indicates that power may be exercised not only by agencies called "government" by the local population, but also by "private pressure organizations, business enterprises, churches, and others."²⁴

In a subsequent work, Lasswell defines power simply as "participation in the making of decisions."²⁵ However, it is conceivable that a person or group might participate in making decisions and still not have power in any meaningful sense of

²³ Harold D. Lasswell, The Analysis of Political Behavior (London: Routledge & Kegan Paul, Ltd., 1948), p. 6.

²⁴ Ibid., p. 37.

²⁵ Lasswell and Kaplan, op. cit., p. 75.

the term. For example, does a group have power when it is one of, say, 50 groups in a community council and it is constantly outvoted by the majority? Does a minority member of a city commission have power when the decision reached is actually not in accord with his wishes and is contrary to his vote? Lasswell works himself out of this difficulty in his definition by later analyzing power as to its "domain, scope, weight, and coerciveness," but he never bothers to rework his definition in terms of these refinements.

Tawney avoids this difficulty by focusing on the intended consequences of a power situation. His definition: "Power may be defined as the capacity of an individual, or group of individuals, to modify the conduct of other individuals or groups in the manner which he desires . . ."²⁶ The possibility of power also including unintended consequences is not envisioned by him.

From this it is apparent that the clarification of concepts becomes an important prerequisite for meaningful research in the area of social power. Analytical handling of the interplay

²⁶ R. H. Tawney, Equality (New York: Harcourt, Brace & Co., 1931), p. 230.

of distinctive factors necessitates the careful delineation of these factors. This clarification of concepts is commonly considered a province peculiar to the theorist, but Merton contends that it is inevitably bound up with good empirical research and that research "sensitive to its own needs cannot avoid this pressure for conceptual clarification." He asserts that a basic requirement of research is "that the concepts, the variables, be defined with sufficient clarity to enable the research to proceed."²⁷

This conceptual clarification is not only a prerequisite for empirical research, but frequently results from such research. One wishes that some of Lasswell's abundant efforts toward the definition of terms in the area of social power had been subjected to empirical testing. Clarity and workability having thus been established, they could be accepted with greater assurance and confidence. As Merton contends, this requirement for clarity is "easily and unwittingly not met in the kind of discursive exposition which is often misnamed 'sociological theory.'"²⁸

²⁷ Merton, op. cit., p. 109.

²⁸ Loc. cit.

The definition of social power used in this study was that developed by Useem in the last several years. According to him, "Power is the concentration of influence and authority within a social system for making, legitimizing, and executing decisions which have consequences, intended or unintended, on the social chances of the members of that social system."²⁹ By influence is meant the act of, or potential for, producing an effect in the determination of decisions without apparent force or direct authority. By authority is meant the prerogative, or precedence by virtue of holding an office, to engage in the decision process. This conception of authority is similar to that which Merton has in mind when he says that "authority, the power of control which derives from an acknowledged status, inheres in the office and not in the particular person who performs the official role."³⁰

Authority depends on explicit rights and legally designated office. Influence is based on the social capital of individuals or groups. This, in turn, is produced by such things as resources,

²⁹ Useem, op. cit.

³⁰ Merton, op. cit., p. 151.

including money, time, and the like; skills in diplomacy, negotiation, and in handling the social factors met in the decision processes; technical competence in the area involved in the content matter of the decision; and various charismatic factors which may involve the assignment of unique attributes to the person or group concerned. Authority is circumscribed by legal codes, influence by the mores.

Legitimation is used to denote the formulation and presentation of socially acceptable reasons which offer whatever formulae are deemed appropriate for justifying, explaining, and convincing those involved that the decisions are valid. These are framed according to the sentiments and symbols in use in the social system. When adequate approval is secured, the decision appears to be "right" and becomes "legitimate" to those concerned. Illustrative of this process is the following:

Communists usually offer one aspect of their teachings to a group or an individual--to the underprivileged masses, it is equality and security and what they call economic justice; to the people fighting against colonialism, it is emancipation from their imperialist masters; to soft pacifists, it is attacks against warmongers and petitions for world peace; to oppressed races, it is racial equality; to the cosmopolitans, it is the supranational world scope of Communism; to the intellectuals, it is the lure of the ideal

of equality and justice; to the liberals, it is what they call the struggle against fascism.³¹

"Social chances" is used to refer to the prospects of gaining access to the scarce values of the social system, whatever those values may be. By decision is meant something more than simple choice. Included, too, is what Lasswell calls the "effective determination of a policy, involving the total process of bringing about a specified course of action,"³² The decision-making process includes application, as well as formulation and promulgation of policy.

Two loci of decision-making are to be given attention in this study of social power, and these are designated as arenas. The study is concerned with the Real Estate Board's influencing of decisions in the arena of authority, in the legislative halls and city commission chambers, and in the arena of public elections. This is much the same way that Lasswell and Kaplan use the term. "We use arena to refer to any situation in which

³¹ Time, January 29, 1951, p. 56.

³² Lasswell and Kaplan, op. cit., p. 74.

power is sought and persons are brought within the domain of power."³³

By alignment is meant the array of power groups for and against a decision. Lasswell calls a given interaction in the power process an encounter, and a pattern of encounters is called an arena. The outcome of the shaping of power in an encounter is a decision.³⁴

Within this conceptual framework this study was concerned primarily with influence, the bases and prerequisites for a position of influence, the relationships to the value systems of the culture, and the processes by which influence is legitimized. Influence was considered as social capital, derived in a variety of ways, which may be used to affect the decision process. The interest was in the sources of this social capital, such as money, time, prestige, historical precedent, and knowledge, as well as the ways in which this social capital was used in the community decisions.

³³ Ibid., p. 78.

³⁴ Ibid., p. 80.

C. Theoretical and Empirical Setting

The main concern of this study was the social power aspects of the influentials; that is, the role played by those who lack the prerogative for decision-making in the community in the making of community-wide decisions. The authority aspects of social power were considered only in so far as they interact with the influence aspects of social power.

While there have been noteworthy contributions, both theoretical and empirical, in the arena of authority--particularly the theoretical systematizations of Max Weber--there is a dearth of studies of the processes of influence in the full network of our social system. Particularly is this true in American society where our democratic ideologies have resulted in the minimization of the formal organization of the power structures, where we have circumscribed and counterbalanced authority positions to restrict the symbols of power and to negatively evaluate power as an ethically sanctioned end. This circumscription of the scope of permissive formal organization of power has given rise to the growth of the informal arrangements in the influence processes. It is important for the adequate understanding of the structure and process of American community life to focus

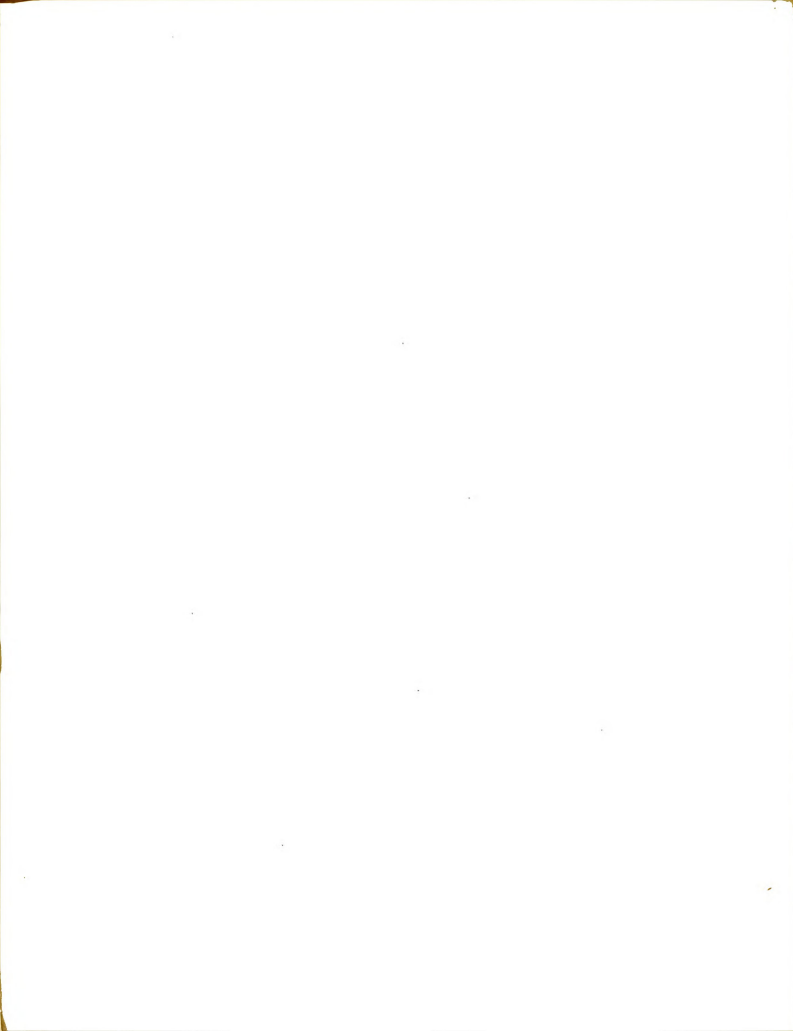
attention on these constellations of interacting informal power centers. It is highly necessary, not only from the standpoint of understanding the dynamics of a community, but also from the standpoint of contemplated social action, to ascertain the key influential structures in a community. This is not to suggest that the nuclear centers of influence will be the same in each community. Given different aspects of social organization, varying strengths in the alignments of social groups, divergent value systems, and the like, this is not to be expected. While the Chamber of Commerce may occupy such a crucial influence position in one community, the CIO may occupy it in another community, and the American Legion may be in the key position of influence in a third. In fact, in some communities there may be few power blocs which are sufficiently potent to accomplish their ends alone. In such cases, one is likely to find loose and shifting alliances for the achievement of particular ends.

Whatever the specific alignments in a given community, whatever the group which occupies the key position of influence in a community, it is the process of influence in a community which needs careful study. The fact that the community itself, or the group which occupies the key position of influence, does

not exhibit an awareness of the role of influence, should not be a deterrent to such a study; although this may be one of the factors which has delayed giving this problem much attention in the past. Our early studies of social class had to overcome this same lack of awareness, this same lack of structuring of the phenomenon as a social creed.

In general, it may be observed that the theoretical aspects of social power have been developed to a far greater extent than the empirical research designs for testing the validity of the theoretical systems. The opposite extreme is the almost complete preoccupation with empirical manipulations with the concomitant disregard for the derivation of meaningful generalizations which can then be verified in subsequent research. It is well known that much of contemporary public opinion investigation has fallen into this error. Both of these dangers must be avoided.

Progress in the analysis of social power processes has been impeded by the fact that few of the theoretical frameworks designed have been tested in concrete situations. As indicated previously, Lasswell for years has been working toward the development of a theory of social power and has constructed a



large array of theorems and propositions. Their validity and workability, however, have never been tested in the crucible of community research. So, too, with others mentioned earlier in this chapter. This lack of empirical testing may be considered one of the prime reasons for the lack of clarity and definitiveness, both in the definitions of terms used and in the propositions adduced.

The great need in the study of social power is for theoretical conceptualizations which can be used as working models in the vast quantities of community studies now underway. In this way they can be refined and sharpened, altered and redesigned so that valid generalizations, upon which there is some consensus, can be derived.

Conceiving the problem from the other end, much of what is called community research today could have been greatly facilitated and made to be even more meaningful, had the methodological scheme of social power been employed. For example, this would have been true for the classic Middletown studies,³⁵

³⁵ Lynd, op. cit.

and it is interesting to note that Lynd is now working on a book on social power.

In his study of Palau, Useem tried a number of methodological frameworks for the analysis of the shifts in the social organization of those Micronesian Islands. Systems based on acculturation, race relations, imperialism-colonialism, urban-sacred, and others, were all tried in the field; but all failed in the concrete situation. By elimination, he was driven to a social power scheme derived partially from Max Weber and partially from Georg Simmel. This was found to be useful since all aspects of the social organization were being affected by the changing power structure. He writes:

Changes in this sphere (of power) may reorient a number of social relationships--schemes for the allocation of authority to make and enforce decisions; the mores on the rights and duties of the various subdivisions, e.g., status groups, age grades and territorial units; the established codes which determine the distribution of rewards and social privileges; the traditional administrative techniques for managing domestic affairs; the capacity of the native leadership to order the actions and to secure compliance of others; the responsiveness to nativistic movements; and the prevailing sentiments toward the outside world.³⁶

³⁶ John Useem, "Structure of Power in Palau," Social Forces, December, 1950, p. 141.

Murdock has indicated that to date community studies have been "infinitely more concerned with social structure than with social action." He gratefully notes the numerous careful descriptions of caste and social class stratification, and of the institutional structure of modern communities, but "I know of not a single community study which has concentrated primarily on the dynamics of social interaction." He predicts that it is concerning these mechanisms, by which behavior is regulated and controlled, both by authority and influence, that the "great sociological discoveries of tomorrow will be made."³⁷

The need on the one hand, then, is to sharpen our present theoretical systems concerning social power. We must test a series of current propositions which attempt to explain the nature of social power. These hypotheses, largely arm-chair deductions from logical analyses of society, await empirical validation. These empirical tests will facilitate the systematization of meaningful theoretical knowledge and aid in the formulation of principles which can act as guides to subsequent research.

³⁷ George P. Murdock, "Comparative Community Research," American Sociological Review, December, 1950, p. 717.

In this way, there can be the development of units which can be used in any context for analyzing human behavior--units which lend themselves to methodological testing and application. In this way, the data obtained will be additive, the general propositions lending themselves to a cumulative theory of social power.

On the other hand, the need is to explore the potentialities of a theory of social power for unifying whole discrete bodies of present-day knowledge. Social power brings together much fringe knowledge in both sociology and anthropology concerning public opinion, propaganda, race, community organization, superordination and subordination, acculturation, and the like. Although the potential is high, achievement to date has been little. From the abundant empirical data must come meaningful generalizations.

D. The Community Setting

Second largest city in Michigan, outranked only by Detroit, Grand Rapids had a 1950 population of over 176,000. It is the center of a metropolitan area of 287,000 population, which includes all of Kent County, and is a secondary shopping center for a large portion of the western part of the state. It is the main wholesale and chain store distributing point for Western Michigan, which is an area set apart by Lake Michigan on the west and an imaginary line that runs down the center of Michigan on the east. Western Michigan consists of twenty-five separate counties rich in agriculture and industry, and having a tourist industry that amounts to one-quarter of a billion dollars annually. Grand Rapids is the largest and major city in Western Michigan.

The city lies along the Grand River about twenty-five miles east of Lake Michigan. The ten main highways that converge at the city indicate its primary importance as a trade outlet for surrounding farmers and manufacturers. It is served by four railroads and by two nationally scheduled airlines.

Having its roots in the lumbering industry more than one hundred years ago, Grand Rapids developed into one of the leading

centers of quality furniture design and manufacture. Huge quantities of timber were floated down the river to sawmills at the rapids, furnishing raw materials for the furniture industry. Although furniture was manufactured in Grand Rapids as early as 1838, it was not until the end of the century that it had forged ahead to become the principal producer of furniture in America, through continual improvements in the volume and quality of its product. Today there are several buildings with acres of floor space for the exhibition of furniture; and during the seasonal markets, thousands of buyers from all parts of the country visit the city to examine the lines on display. With the largest colony of designers in the world, Grand Rapids is the style-market center of the industry. Although other centers are now taking the lead in quantity production, the industry still looks to Grand Rapids for guidance in design.

Besides its furniture factories, Grand Rapids has large plants that manufacture auto bodies, auto accessories, refrigerators, carpet sweepers, and other products. Its three hundred diversified industries employ over 55,000 industrial wage earners who earn \$18,000,000 per month.

Grand Rapids has a commission-manager form of government. The manager is appointed by the city commission of seven men, two elected from each of the three wards and the seventh elected at large to serve as mayor. The city has three representatives and two senators in the state legislature. With much smaller Ottawa County, Kent County shares a national congressman; and for years one of the two senators from the state has come from Grand Rapids.

The people of the city are almost all native-born white. More than 25 per cent of the population is of Dutch stock, the predominant nationality group which has been in the community over one hundred years. The second largest ethnic group is the Polish, who came to the community about 1880. Only 3 per cent of the population is Negro. The Dutch are now scattered throughout the city, but their immigrant ancestors, chiefly from the provinces of Zeeland, Friesland, and Groningen, settled in five sections that were formerly modified reproductions of their home communities.

Due to an extensive Christian school system, developed as private institutions by segments of the Dutch group, and Catholic

and other parochial schools, more than 35 per cent of the community's children are educated in other than public schools.

The people are largely of the working class, with a considerable number of skilled laborers because of the nature of the demands of the furniture industry. Merchants and professional men are found in large numbers, since the city acts as a commercial and service hub for such a large surrounding area. Lower-class families, both white and Negro, are generally found in the so-called blighted areas.

The city is strongly Republican, having voted Democratic only once, in the 1930's, in its recent history. Its two daily newspapers, an evening paper with a circulation of over 107,000 and a morning paper with a circulation of 54,000, are also avowedly Republican. Five radio stations and one television station also serve the community.

Organized labor is not an important influence in the city, and the area has long been known by union officials as the "graveyard of union organizers." However, in the last ten years the UAW-CIO has grown from 2,500 members in 1941 to 18,000 members. Scarcely a dent has been made in organizing the furniture industry, but a majority of the workers in

the metal-working trades are organized, and more than 90 per cent of those in auto-parts industries are. The union envisions slow progress for the future, however, because the unorganized plants are mostly small businesses where the owner-worker relationship is intimate and where marginal economics are involved.

Grand Rapids is known as a city of churches, with the various kinds of Reformed denominations, organized and still attended primarily by the Dutch, predominating. Although these churches are well attended and exercise close control over the membership, there is no evidence of the Reformed-Dutch group voting as a bloc. Further, there is a basic conviction that the church should keep out of politics, even though members individually are urged to meet "the responsibilities of Christian citizenship." Involved here would be a concern over diligence in voting rather than over how one votes, and a responsibility for running for office. In the latter case, however, the group does not give its support as a group to a candidate. In fact, in most cases members of this Reformed-Dutch group are opposing each other, as well as others, in the seeking of an elective office.

The Grand Rapids-Kent Council of Churches has sponsored a number of surveys of local social problems as well as taking stands on community issues, but it is too loosely organized to present an effective element in determining decisions. Further, the large group of various Reformed churches are not members of the council.

The city has been characterized by a pattern of slow growth. Ranking fifty-fifth in the nation, the 1950 population was 176,000, compared with 165,000 in 1940 and 169,000 in 1930. Its growth is slower than that of its peripheral townships, and even slower than that of the state average, which has resulted in decreases in state-retained tax monies, which are figured on a relative population basis. The community has not experienced severe boom and bust cycles. World War II affected the city less than most cities its size. There was no concentration of defense or war plants, but rather a slow conversion from peacetime operations to those of a war economy, with resultant minimization of reconversion difficulties also.

The 70 per cent home-ownership figure, ranking it one of the top cities in the country in this respect, has undoubtedly served to retard mobility from the community. Because of the

nature of the industries located in Grand Rapids, women workers are extensively used, and the fluctuations in manpower needs largely reflect themselves first in the incidence of female employment, and thus with the least possible impact on the total community.

This relatively slow, steady pattern of growth, unmarked by rapid social change, makes the discernment of the influence constellation an easier matter than would be the case in a community burgeoning with social change.

E. Methodology

The selection of a community in which to do this study of influence was based on a number of considerations. Although, as indicated previously, it was not necessary to find a community which could be considered representative of American cities, it was considered important that the community selected be large enough so that it would contain a number of special-interest groups which would be in a position to play the role of influentials in determining community decisions. The study of an influence position would have less value if the group involved were the only organization in the community active in the decision-making

process, which might be true of a community too small to support a proliferation of specialized groupings.

On the other hand, the community had to be small enough so that decisions were felt to be a matter of immediate concern to the inhabitants of the area, and small enough so that the analysis of decisions could be handled within the resource limitations of time, money, and personnel. Grand Rapids was considered to be large enough to meet the first requirement and small enough to meet the second.

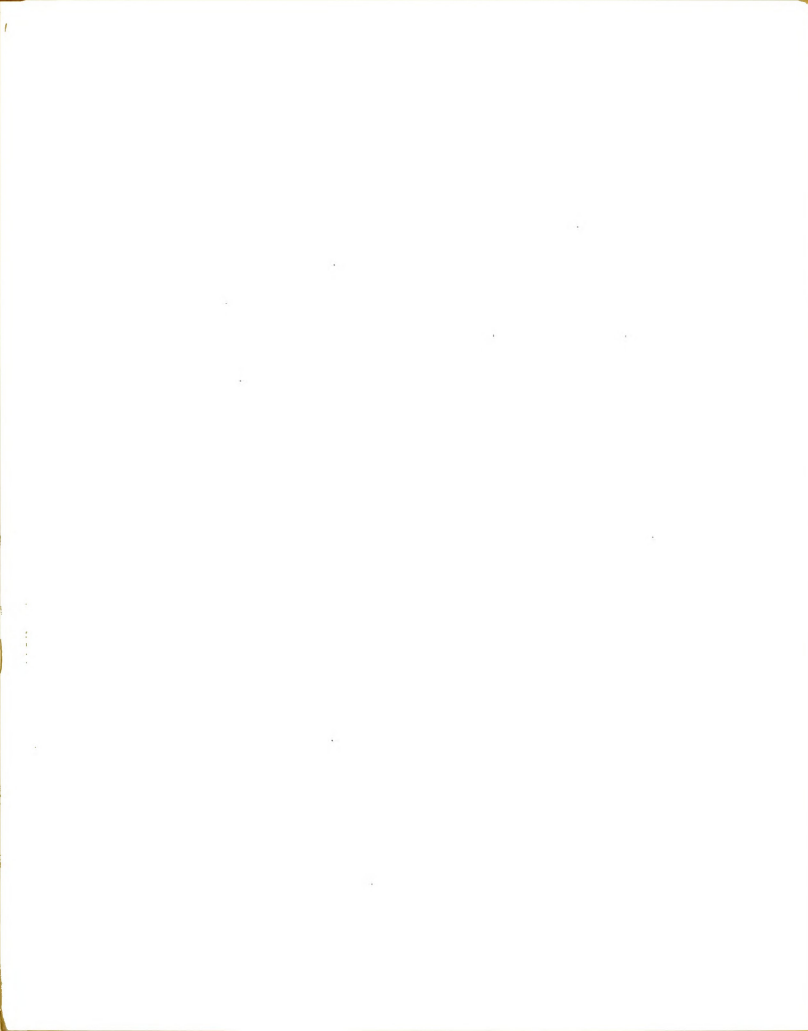
Secondly, Grand Rapids was chosen because the researcher was a native of the community and thus had a background of information which facilitated the research. Further, the matter of convenience entered into the selection, since at the time of the study he was located in Grand Rapids. The disadvantages of this situation are well known, but the advantages were deemed to outweigh them.

Thirdly, Grand Rapids was selected because it had been characterized by a pattern of slow growth without the continual restructuring of power alignments, which is likely to be the case in communities of rapid social change. This is not to suggest that the social power framework would not be a fruitful

analytical scheme for the understanding of such rapid social change, but that for the purposes of this study, the former is to be preferred. It is only in a sense that the research is facilitated by the study of a stable community. In the sense that the struggle for positions of influence has higher cynosure and is more "out in the open" in communities of rapid social change, research in such communities would have an advantage.

The Real Estate Board was selected as the research focus because of several indications during the exploratory phase of the study that it was in a key position of influence in the community. In talks with those in authority positions and with heads of organizations in the city, the Real Estate Board was frequently mentioned, along with the Chamber of Commerce and the newspapers, as being an effective force in the making of community-wide decisions.

A spot check of the alignment of community groups on several controversial issues which went to the voters for decisions revealed that the real estate group had been victorious in each instance, while both the Chamber of Commerce and the newspapers had been defeated several times. The editor of the city's leading newspaper, with a circulation of over 107,000, editorialized



as follows: "We know from what has happened in the past that it is almost essential that any proposal to undertake a civic and school expansion program have the Real Estate Board's support if it is to succeed,"³⁸

The Grand Rapids Board had also been recognized by both state and national real estate associations for its effective community participation, and was awarded the Clinton B. Snyder award for civic activity at the 1951 convention of the National Association of Real Estate Boards in Cincinnati. It is the highest award conferred by the national association, and singled out the Grand Rapids Board for giving the greatest "public service" to its community. Mentioned specifically were four contributions to civic betterment. These were the assistance of the Board in framing a new city zoning ordinance; the successful fight for rent decontrol; assistance to the city in its land value survey in preparing for scientific reassessment of the city, and its active support in helping to pass the two-mill, twenty-year tax increase for a school building program.

³⁸ The Grand Rapids Press, December 4, 1947, p. 10.

It was because of these considerations, then, indicated by preliminary study, that it was decided to make the Real Estate Board the focus of the study. It was assumed that the Board was enough involved in the decision-making process to make such a study fruitful. In other words, it was assumed that the Board was in a position of social power in the community and the study purpose was to investigate the extent of this power and to analyze the dynamics of the process of making, legitimizing, and executing community decisions.

After several meetings with individual realtors and with the board of directors, during which time the study was outlined for them and original suspicions and misapprehensions were allayed, official approval of the study was given, cooperation was pledged, and official records and minutes of the organization were made available.

The fears and suspicions were to be expected. For one thing, social power is generally evaluated negatively in our culture, and groups exercising such power are not to be expected to welcome a study of their activities in this regard. It was found that the Real Estate Board repeatedly took steps to conceal from the public the influence it exercised in both

the arena of authority and the arena of public elections. Balancing this fear of public exposure of its power, however, was the feeling of pride in the Board's accomplishments in the community and in the fact that someone was interested in studying the realtor group.

Secondly, the fears and suspicions were to be expected, since the researcher had been publicly active several years previously in a campaign for a public housing project which the Board opposed. Here, then, was not only an "outsider," but a former opponent who was strongly felt by some to be still an opponent of the Board's "point of view." To give such a person access to the private minutes of the organization, including, as they did, motivations for the stands taken on issues, decision-making techniques employed, details of discipline cases involving unethical practices of prominent members, and the like, quite naturally developed some resistance. Because of this, several members of the nine-man board of directors which gave the approval demanded at least, as a prerequisite, the recantation by the researcher of his previous position on public housing.

That this was not demanded, and that approval was given was due to a number of factors. First, the study had the prestige

of two educational institutions attached to it--the college for which the study was being done as a thesis, and the college with which the researcher was associated as a faculty member. Second, at the directors' meeting where the decision was reached, the research consultant of the Chicago Real Estate Board was present and spoke flatteringly of the research design and indicated that his group was spending money for the kind of research that the Grand Rapids Board would now get at no cost. Third, the pride of the Board in its accomplishments again played a part. Fourth, several of the directors, consulted previously by the researcher, stressed the fact that the study would be "objective," and not reflective of the personal preferences or prejudices of the researcher.

The research problem was approached in four ways. First, a study was made of the history of the Grand Rapids Real Estate Board. This was done through an analysis of the records and minutes of the Board itself, through a perusal of newspaper accounts of Board activity, through a study of histories which have been written of the city, and through interviews with several old settlers. Since the records of the Board go back only

to 1909, the latter three techniques were used to reach into the earlier history of the organization.

The purpose of this phase of the study was to determine the role which the Board had played in the community throughout its history so that a better understanding might ensue as to the role of influence it played at the time of the study. Another purpose was to better understand the Board as a social institution, its development as an organization, and the rootage for its present structure. Although such an approach might not be as necessary in a community characterized by rapid social change, it was deemed a necessity for an adequate understanding of the present situation in Grand Rapids, characterized, as noted previously, by slow and steady growth and by unhurried social change. In such a case it was assumed that the roots of the present extend farther into the past than in a community of more rapid social change.

A second approach was made through the study of the dynamics of several recent community decisions, both in the arena of authority and that of public elections, to determine the role played by the Board in the making, legitimizing, and executing of these decisions. Coming into purview here were the

techniques employed, the extent of the participation, the rationale employed, the approaches to various publics, the sensitivities to community value systems, symbol manipulation, the alignment of other power groups, and the like.

This was done through the study of newspaper accounts of these decisions, including editorial stands, advertising campaigns, reports of alignments for and against the issue, arguments advanced, articles on public meetings concerned with the issue, the results, and evaluations of the results. Also, the official records of the Board were studied in relation to these decisions to determine the kinds of techniques used, the money spent on shaping the decision, the self-evaluation of the results, and similar items. For example, after one of these decisions, the Board minutes concluded that it is "obvious from the results of the election that property owners in Grand Rapids still follow the advice of the Board."

A third methodological technique employed in this phase of the study was that of participant observer. In one of the decisions studied, the writer actively participated in the decision-making process. As a director of the campaign for public housing, he was in constant contact with the efforts of the Board to

shape the community decision. He participated in a number of panel discussions and radio forums with realtors, watched their maneuverings for the support of other influentials, helped defeat them in a decision in the arena of authority (the city commission), noted their strategy in the fight for a referendum election where they were ultimately successful, scrutinized their public utterances and framed replies, observed their manipulation of symbols in terms of the value systems of the various publics encountered, and all the rest that is involved in participation in the community decision process.

A third approach to the problem was made through a study of the Board and its individual members, largely for the purpose of determining the self-image. Are realtors aware of the power position of the Board? How is the position of influence viewed? Is it a negative value to be talked about in whispers inter nos? Or is it a positive value to be made the subject of a publicity program? Is there consensus on this point, or do members differ sharply with each other? What is their explanation for the position of influence of the Board? How do they think others in the community view this power position?

This was done in two ways. First, meetings of the board of directors and of the entire membership were attended in order to observe the group in its procedure of operation. Since the records of these meetings were available, it was not considered necessary to attend more than a few of them. The second technique used here was a series of interviews with individual realtors. Since all 425 members of the Board were not interviewed, some method of selection had to be devised. It was decided to talk with members of the board of directors, with those realtors mentioned most frequently in the minutes of the organization, and with a random sample of other realtors. This latter group was made up of all realtors who appeared in the Board offices on any one of three successive days. Since the Board office operated the multiple-listing system, on which the business of the realtors is based, it was a usual thing for the members to stop in at the office; and hence, this group was considered to be an adequate sample of the entire membership. A list of questions was drawn up to act as a guide in focusing the interviews.

A fourth approach to the problem was made through the study of others in the community to determine what was the

community image of the Board's power position. It was decided to achieve this by means of a focused interview technique rather than through the use of a questionnaire. A list of persons who were considered to be best informed as to the dynamics of the decision-making processes in the community was devised. Included in the list were the following: city planning director; city manager; president of the city commission; editor of the largest newspaper; head of the school bond drive issue campaign; superintendent of schools; executive secretary of the Metropolitan Grand Rapids Development Association; executive secretary of the Council of Social Agencies; representatives of the Chamber of Commerce, the League of Women Voters, the Community Council (composed of over fifty groups in the area); officers of a citizens' better government group which has controlled city elections for four years; executive of the Grand Rapids-Kent Council of Churches; head of the CIO; and others.

The development of such a list was facilitated by the fact that the researcher had for years been a member of the community. However, it was checked for accuracy by asking those interviewed for suggestions of other persons who would be of help in understanding the decision process. All groups

which had been active in the determination of community decisions in either the arena of authority or of public elections were included in the list, as well as others not active in that regard. Those on the list were asked to indicate the groups in the community which played a key role in the determining of broad decisions. Since, invariably, the Real Estate Board was mentioned, although not in every instance as the first or most important group, they were then asked for their reaction to the role played by the Board, and for their explanation as to why the Board had come to occupy such a position.

Through the utilization of these four approaches, it was felt that an adequate understanding of the position of the Real Estate Board in the power structure of the community would result, and further, that certain generalizations concerning the arena of influence and its role in American society could be derived.

It is important to note in conclusion the areas that were excluded from major attention in this study. This was not designed to be a complete analysis of all the factors involved in arriving at a community decision. Specifically, it was not concerned with how decisions were made in the authority structures, nor with the broad question of why people voted as they did. The

concern has not been with a complete description of the Real Estate Board as a system of influence, including state and national levels. The prime focus was its influence on local decisions.

Since the study was concerned with the analysis of the processes of influence and the development of relationships, it was not considered fruitful at this stage to draw a probability sample of the adult population of the area in order to estimate parameters for the variables studied. At the present state of knowledge about social power, it seemed more useful to devote effort to an examination of the relevant variables and their dimensions.

Also excluded from the study was a detailed description of the internal power structure of the Board. This was of concern only in so far as it involved the Board's social power position in the community. There was no attempt to compare the influence of the Grand Rapids Board with real estate boards in other cities, since the important element was not the Board, but the derivation of generalizations concerning influence.

CHAPTER II

THE DEVELOPMENT OF THE GRAND RAPIDS REAL ESTATE BOARD AS A SYSTEM OF INFLUENCE

A. Significance of the Historical Perspective

An adequate understanding of the contemporary social power position of an organized social group is facilitated by a study of the historical development of that group in its community setting. This is particularly true in those communities which have been characterized by a pattern of slow growth, where social change has evolved gradually, where there has been minimal social upheaval, and where there has been no radical restructuring of the roles of social groups in the community.

As indicated in the previous chapter, Grand Rapids is that kind of community. Hence, it is the purpose of this chapter to trace the historical developments of the Real Estate Board in order to better understand the dynamics of its contemporary social power position. The intent is not to present a complete historical account, but rather to focus on meaningful aspects of the Board's life history; that is, to focus on those shifts

in structure and mode of operation which are significantly related to the Board's involvement in community decision-making.

This historical perspective is important, too, because of the cumulative nature of social power. A social power position does not develop full-blown overnight. Rather, the effective participation in community decision-making is historically rooted, the result of a long sequence of events. As will be developed in a subsequent chapter, this effective participation in ongoing decision-making processes is related to previous successful influence in decision-making--successful in the sense that the group involved has achieved the end desired.

Such a group, known to be effective in shaping past decisions, enhances its social power position in that those in authority positions will be more likely to consult such a group in the making of its decisions. Further, when the decision is to be made in the arena of public elections, voters are more likely to look for advice to a group which has been "right" on previous controversial issues.

For these reasons, then, the understanding of the system of influence which the Grand Rapids Real Estate Board has become involved a study of its development from a scarcely

recognized trade group in the last decade of the previous century, but even then concerned with community decisions, to the closely knit and publicly recognized organization it had become.

B. Early Organizational Structure

The origins of the Board are difficult to ascertain. The earliest minutes on file at the Board office are of an annual meeting held March 1, 1909. However, the souvenir program for the 1930 annual dinner calls the affair the "33rd annual," indicating an origin prior to 1900.

Early histories of the city are of little help. They make mention of real estate transactions, but not of a real estate organization. Baxter indicates that 1833 marked the first sale of village lots in Grand Rapids, and writes that by 1891 the real estate business was extensive.

Dealing in real estate is no small item in the business of Grand Rapids; platters and sellers are numerous and agency offices for the business are many. It is an occupation that grew into some prominence after the incorporation of the city and has grown with the growth of the town. Upward of 100 names are published in lists of real estate dealers.¹

¹ Albert Baxter, History of the City of Grand Rapids, Michigan (New York: Munsell Co., 1891), pp. 645-8.

Gross mentions a real estate committee of the Board of Trade and gives a chronology of events between 1880 and 1905, which reveals the organization of a pomological society, and undertakers' association, weddings, suicides, and the like, but makes no mention of a real estate association.²

The Board was faced with this question of origin when a query from the Michigan Real Estate Association asked the date of the Board's organization. It was decided to give the date as 1893, the date of organization of the Grand Rapids Real Estate Exchange. A short history included in a Board publication also mentions this date, indicating that in 1893 a few prominent real estate brokers organized an association to establish uniform rates and practices. "This evolution of ideas and methods continued until 1909 when the Real Estate Board began conducting regular meetings."³

However, the roots of the present organization go back still farther. The public library has a copy of Building and

² Dwight Gross, History of Grand Rapids and its Industries (Chicago: C. F. Cooper Co., 1906), p. 813.

³ Multiple Listing (Grand Rapids: Grand Rapids Real Estate Board, 1947), p. 2.

Realty, a journal published locally in 1890. A scanning of old issues of the newspapers revealed that a Real Estate Dealers Association was organized in 1885, and that it was reorganized in July, 1893, as the Real Estate Exchange Board. The newspaper called it "practically a co-operative society . . . and the members, buyers, and public generally are benefitted thereby."⁴

A procedure which might be viewed as the precursor of the present multiple listing system of the Board was followed by the old Association. The members of the Association met each morning to exchange ideas. Property for sale was posted on a bulletin board in the office, and any member could sell any property posted, dividing profits with the man who posted it.⁵

At the time of the reorganization as the Real Estate Exchange in 1893, the membership fee was raised from three dollars to twenty-five dollars, 39 agents comprised the membership, and a membership limit of fifty was set.

⁴ Grand Rapids Evening Press, April 14, 1894, p. 1.

⁵ Ibid., March 23, 1893, p. 6.

Already in its early days the real estate group took an active interest in community development. In 1895 it was supporting a proposal for a city produce market and a scheme for converting river water power into electricity. Concerning the latter plan, one of the newspapers commends the realtor group for its interest in promotion of a "scheme for advancing the interests of the city that, in point of magnitude and far reaching influence, surpasses all other projects . . ."⁶

C. Later Shifts in Structure as a
Basis for Social Power

In 1909 the group reorganized as the Grand Rapids Real Estate Board, the name by which it is still known. From that date official minutes are available and were utilized in the study. In 1915 the Board joined the Michigan State Association of Real Estate Exchanges and five years later became a member of the National Association of Real Estate Boards.

The Board early demonstrated a concern for strengthening the structure of its organization. It was willing to make

⁶ Ibid., September 27, 1895, p. 1.

shifts in its framework to meet new demands, and was alert to the possibilities for influencing community growth and development which would result from changes in the structure.

In the first year after its reorganization, the Board decided to add "large property owners" as associate members. These were not to have a vote, but were to "aid us by their influence and to work on committees." Received into associate membership were twenty-four of "our leading townsmen." At the outset, also, the Board appointed a municipal affairs committee to "interest itself actively in civic issues," and a legislation committee to "keep in touch with legislation that shall have any effect on real estate interests in our city."

Efforts to increase the solidarity of the Board have been of concern through the years and have involved such things as increasing control of the real estate market, as well as strengthening control of the group over individual members. Although probably not done with that deliberation and intent, these solidarity-producing measures have resulted in the establishment of an effective basis for the social power position.

The endeavor to better control the real estate market led the Board to consider discontinuing the use of placards on

vacant property because "curb-stoners" would take advantage of the sign, or people would deal directly with the owner and "the latter will want a part of the commission. We will thus reduce competition and everyone will have to buy through some real estate man." The legitimation for the public was to be that this would "make for a more beautiful city." The opposition contended, however, that realtors would then have to spend more money on newspaper advertisements since the signs advertised the realtor, and no action was taken.

This market-control endeavor also led to the discussion of the inauguration of a central real estate exchange or clearing-house to facilitate brokerage between members. A plan was devised whereby members would send their lists of properties to the secretary, who would send out periodical bulletins to the various offices. It was the extension of this plan which led the Board several years later to adopt the multiple listing system which was found to have been one of the primary factors in the development of the Board as a system of influence in the community.

Efforts of the Board to increase its control over the membership resulted in the appointment of a committee to act as an

arbitration board to settle disputes that may arise among Board members concerning the ethics of the profession. The committee was to have the power to act, and should the offending members not comply with the committee findings the committee was to report the names of offending members to the Board to "dispose of the case as it saw fit." Further, the Board adopted the code of ethics of the National Association of Real Estate Boards, which prescribes certain loyalties to the Board at the penalty of expulsion, and which prohibits the public criticism by one realtor of another.

An important validation for the Board's control over its membership came in 1927 when a court decision established the legal right of that control. A circuit court judge sustained the Board's decree of expulsion against a member in an injunction suit brought by the Board against the member to restrain him from calling himself a "realtor" and advertising as a member of the Board. The member had been expelled from the Board, and in a cross bill filed in answer to the action of the Board, asked reinstatement and damages. The judge ruled that "the expulsion of defendant is not a matter for the court to review.

The court has no way of exercising authority over their discretion."⁷

A committee in 1923 studied the matters of sex and color as qualifications for membership. The Board decided that women realtors could join the Board. There is no record at this point nor later concerning color restrictions for Board membership. In an interview with the executive secretary, it was learned that no Negro has ever been a member, nor has any applied, although there are several state-licensed Negro brokers in the city.

In the early days the Board was anxious to add to its membership and drives were common. In 1916 the membership committee reported that "practically all available men suitable for membership are now in the Board," but in 1922 another membership drive was held. As a result, 134 active and 38 associate members were listed, the latter including owners, contractors, roofers, plumbers, and others, who could gain membership by paying five dollars annual dues. This is to be contrasted to the present situation where a backlog of membership

⁷ Grand Rapids Herald, October 6, 1927, p. 1.

applications has accumulated because of the hesitancy of the Board to allow any more members in the organization.

There are indications that by 1920 the Board was already concerned with the public image of it. When the group decided to increase the rates of commission for the sale of property, it was considered best for public relations reasons not to give this increase any newspaper publicity. The Board also entered an agreement with the Grand Rapids News whereby, in exchange for a given amount of advertising, the News agreed "in its news and editorial columns, to cooperate in a constant and active manner with the real estate interests in Grand Rapids . . ."

With the adoption of the multiple listing system in the latter part of 1923 came important changes in both the structure and operation of the Board. Described in more detail in the next chapter, the system, in brief, provided that the property listings of each realtor became the property of the Board and were sent to each member office. Any member could sell any piece of property listed.

The multiple listing system resulted in considerably tightening the organizational structure through increasing the control of the Board over its members and through centralizing

policy-making in a board of directors of nine men which was given extensive power. It resulted in the employment of an executive secretary and the establishing of a central Board office.

Concerning the importance of the multiple listing system, a Board publication says:

Not until 1924 when multiple listing was adopted as the accepted procedure did the Board show strength. The membership under multiple listing became better acquainted because cooperative deals were consummated on an arranged basis. A cooperative, competitive system which attempts to improve its methods and practices results in better service to the public. This added service has sold the public on the Grand Rapids Real Estate Board. The result has been increased individual prosperity and a strong Board, well financed, with prestige in the community. A membership campaign never has been necessary. Neither has there been a membership assessment.⁸

After the inauguration of the multiple listing system, the minutes of the organization are divided into two sections--one for meetings of the entire membership, and one for meetings of the directors. Each year shows the volume of minutes devoted to the Board's activity decreasing and those devoted to the directors' activity increasing. The directors concerned themselves primarily with the real estate business, operating the multiple listing system, and disciplining members for malpractices.

⁸ Multiple Listing, op. cit., p. 3.

On the other hand, the monthly Board meetings were a combination of entertainment (boxing matches, lectures on Yellowstone Park, accounts of trips to Europe), education (sales techniques, industrial and commercial developments, state and national relationships), and real estate activities in general (the money situation in the city, elements in good construction).

Another shift in the organizational structure occurred in 1935. A revised constitution and by-laws called for the resignation of present officers and directors and the election of a board of directors composed of six realtors and six property owners. Apparently, the reorganization resulted from a recognition that realtors would have to work closely with property owners if a recently-won fifteen-mill tax limitation was to be successfully maintained. In view of the fact that the membership roster showed only twenty-two property-owner members, a number of whom were also realtors, and seventy real estate broker members, the reorganization, whatever other purpose may have been served by it, may be viewed as a power maneuver through symbol manipulation. Through it the Board identified itself in the public mind with the property owner. The Board referred

to itself thereafter as the "local organization of realtors and property owners."

The equal six-to-six representation of realtors and property owners on the board of directors was also largely window dressing. In the first place, at least two of the property owner representatives were also realtors. Further, a "realtors' committee," composed of nine men, was appointed, which met weekly and which dealt with most of the technical details of running the real estate organization. The directors, on the other hand, met monthly and took up more general matters, such as taxation. The entire membership of the Board also met monthly. An analysis of the minutes indicated that effective control of the Board had passed, during this period, from the directors to the realtors' committee.

The confusion in organization resulting from the joint representation of realtors and property owners became more pronounced through the years. Although six realtors and six property owners were continually listed as being members of the board of directors, there are no minutes of this group's activities except for an organizational meeting. Matters referred by the Board to the directors actually were handled by the

realtors' committee of nine men, and the minutes of the latter committee refer to themselves as "directors."

In 1941, the confused structure of the Board was terminated by a revision of the by-laws which provided for a board of directors of nine realtors. The realtors' committee was abolished. Property owners were to be "only an adjunct of the Board," and they were to have no vote. Here it was explicitly stated that the combine resulted from the fifteen-mill tax limit drive and the "recognized need for property owner support." It was indicated that the combination had not been as successful as anticipated. However, during this period the Board had several times successfully defeated proposals that went to the voters to eliminate the tax limit, and it is highly probable that also involved in this shift was an awareness that the Board had now become strong enough to influence community decisions by itself. The purpose of identifying the interests of the Board with those of property owners had been achieved.

From the time of its reorganization in 1941 until the time of the present study, the entire Board held monthly meetings which were largely devoted to fellowship, entertainment, and education. The directors met weekly to conduct the business

of the organization, determine policy, and administer the multiple-listing system.

In 1939 the Michigan Corporation and Securities Commission, which licenses real estate agents, agreed to send to the Board all local applications for real estate licenses. Members having information regarding applicants were asked to communicate with the Board to prevent the issuance of licenses to those not qualified. In this way the Board was in a position to influence licensure of all real estate men in the community.

In 1945 the Board incorporated as a nonprofit organization, and three years later adopted the photo-listing system which provided for the sending of photographs of all property listed for sale to all Board members. This feature has gained considerable recognition for the Board throughout the country.

Through the years, from its fuzzily defined beginnings as a loosely organized and scarcely recognized trade group in the latter part of the last century, the Board had grown through repeated reorganizations into a tightly organized and financially strong social group, taking an active part in the affairs of the community. During these years the Board had gained ever larger control over its membership, and this right to control had been

given court sanction. The Board had been sensitive to shifting conditions and its flexibility, as indicated by the changes in structure, and mode of operation had provided it with a framework well suited for the exercise of social power in the community. It had also used techniques for getting itself identified as the organization which serves broad community interests, through once having been a property owner organization also. The organizational foundation for the position of influence had been established.

D. Expanding Efforts to Influence Community Decisions

From the early days of its history the Board has taken an interest in shaping the development of the community and in influencing the determination of civic decisions. It is the purpose of this section to indicate the extent of this influence and the range of the Board's concern with social issues.

In the first few years after reorganization as the Real Estate Board, the group urged the Common Council to take the necessary steps for the erection of a state armory and a convention hall in the city. Members of the Council and the mayor appeared before the Board to advocate a new proposed city

charter, indicating that the group was recognized as having influence in the community. A committee of realtors met with the ordinance committee of the Council, and successfully squashed a proposal to license real estate men in Grand Rapids for a fee of fifty dollars.

In 1912 the Board decided to approve the extension of the street railway system, but there was considerable uncertainty as to the best method of a successful approach to company officials. Another indication of the early sensitivity of the Board to the dynamics of the decision-making process was the practice of feting those in public office at an annual Christmas banquet. That these were not simply festive affairs is indicated by a report of one of the meetings which states that "Senator Verdier admitted that he was asleep at the switch when his committee recommended the passage of the present obnoxious land contract law, and agreed to work for its repeal." Two representatives-elect also agreed to work for repeal.

In the decade of the '20's, the range of interests of the Board widened, and it became more actively involved in influencing decisions in the authority arena. The interest horizon of the Board is revealed in the "1920 goals" listed in the annual

meeting program. They included: grade separations, new union station, several major street improvements, a memorial to servicemen, and an enlarged post office.

The Board's involvement in the city-wide revision of the zoning ordinance in 1951 had its roots in the zoning and city planning interests of the realtor group in the 1920's. The Board then urged the city commission to establish a zoning system and "to this end to request our legislation committee to secure legislation at Lansing as will authorize our city commission to establish such a zoning system in the near future." An advisory committee of realtors was appointed to work with the city planning commission in this matter. When the zoning ordinance was ready, a special committee of realtors was appointed to work with the city commission in removing "certain objectionable features." The commission reported that "it was glad that the Board was taking such an active part in the ordinance." This "active part" was apparently successful, since the committee reported to the Board that the city had met the recommendations of the Board in "nearly every way."

The decade of the '30's marked a continuation of the Board's previous pattern of exercising social power in the

authority arena, but also the first efforts of the Board to influence decisions in the arena of public elections.

Early in 1930, the Board approved the proposed civic auditorium project and appointed a committee to campaign for it. This facility, since its construction several years later, has served as the center of large local gatherings, as well as bringing a large number of conventions to the city. That year the Board also became actively interested in the location of industry in the city. It formed an industrial committee to confer with the Chamber of Commerce to develop a system for relocating industries in the city. The properties were to be handled by a plan similar to the multiple listing system.

In this decade the Board made its first entry into the arena of public elections to influence a community-wide decision. In 1934 the Board took a stand on tax limitation which was to affect a series of subsequent community decisions and various dimensions of the city's development in ensuing years. The group decided that "inasmuch as the Real Estate Board is looked upon by the home owners as the proper organization to lead the way toward relief from the present delinquent tax situation," the Board sponsor the circulation of petitions calling for a fifteen-mill

tax limitation. The tax rate at the time was a little more than twenty-six mills. During the election campaign, the Board arranged to call every telephone subscriber, urging a vote in accord with its stand, and was successful in its effort.

In 1938 the Board entered the first of several successful campaigns to retain the tax limitation. Seeking \$2,000,000 for building purposes, the board of education asked the voters to break the mill limit by the addition of two mills. There was no indication of a request for Real Estate Board support. The Board decided to block the proposal through newspaper publicity, handbills, cartoons, and by "whatever means other communities had used to oppose it." A special committee was appointed to handle the campaign. The minutes indicate that the Board realized that opposition "will be unpopular with the general public," and that it must therefore suggest other sources of income. "We must tell the people that high taxes discourage home ownership and that home ownership is the backbone of our country today." The proposal was defeated.

Having established itself as an influential in the determination of decisions in the arena of public elections, the Board in the decade of the '40's still more actively concerned itself

with the exercise of its social power. In 1940 the city commission advocated that an extra mill be levied for a city building program, but the Board sent a resolution opposing the increase to the newspapers, to each member of the commission and to each member of the board of education. The resolution noted that:

Real estate already carries a burden of taxation beyond its just share, that voters adopted the fifteen mill limit and have on several occasions by an overwhelming majority turned town an increase, that a nation of individual home owners is the best bulwark against the fifth column and all foreign "isms," that we are now engaged in a program of arming for defense, and that home ownership is the foundation of our free democratic institutions.

In 1946 the Board once more had to enter the election arena of decision-making to protect the fifteen-mill limitation. The city commission had voted to place the issue on the ballot and had asked the Board what its position would be. It is to be noted that the commission at this time apparently was concerned about the Board's position, and yet made its decision prior to asking the Board concerning it. The Board decided to oppose the repeal effort and to legitimize its stand to the public by suggesting a return of a part of the sales tax from the state instead. Close to \$3,000 was spent by the Board in its successful efforts to influence the decision. An advertising

service was retained to plan the campaign which included radio time, full-page newspaper advertisements, dodgers, and speeches by members. The Board won the election by a three-to-one vote.

This exercise of social power involved the Board in the problem of nonconformity among its membership. During the campaign, one of the Board members had advertised in the newspaper advising home owners to protect their interests by removing the tax limit. The realtor emblem had been used in the advertisement. Also, a news story quoting this person in favor of repeal indicated that he was a realtor. The directors concluded that since the Board had decided to oppose the repeal, the nonconforming realtor was to desist from using the realtor emblem in any advertising on removal of the tax limit, and was to desist from using the term "realtor" when expressing his personal views. In this way, the solid front of the organization was preserved and a pattern of expectancy for individual realtors in subsequent Board ventures was established.

Following the victory at the polls, the directors concluded that the "prestige of the Board had been established. It is proven again that property owners in Grand Rapids follow the advice of the Board in matters of taxation."

In 1948 the Board again successfully protected the tax limit from attack in a public election, spending \$1,000 to influence the decision.

In 1946 the Board appropriated \$3,000, "a sum equal to that spent in the (1946) fifteen mill fight," to obtain signatures on a petition asking for a one-cent return to municipalities of the three-cent state sales tax. A month later it was noted that only three thousand of the ten thousand names pledged by the Board had been obtained on the petitions. It was decided to engage someone at seventy-five dollars per week for two weeks to complete the quota of one hundred signatures per real estate office, the delinquent office to pay five cents per name for the needed signatures. Illustrated here is another technique used by the Board to demand compliance with its decisions by the membership. Not only does it refuse to countenance active opposition, as indicated previously, but also this type of passive opposition or apathy.

In this same year a letter was received from the board of education asking that a committee of three from the Board attend a meeting to consider the financial situation of the schools, and to suggest ways of solving the problem. It may be noted

that at this time the power position of the Board is recognized, and its advice sought prior to a decision to go to the voters with a plan.

During this decade the Board went on record opposing a state fair-employment act and "received assurances from local representatives that they would oppose it." It also continued its policy of periodic luncheon meetings with those in authority positions, and several times "reprimanded" the daily newspapers for accepting advertisements reading "deal with owner and save commission." In each case, the newspapers restated their policy of not accepting such advertisements and promised greater vigilance in the execution of that policy.

In 1946 the Board became involved in opposing the first of a series of attempts to bring public housing projects to the city. The city commission passed a Municipal Housing Authority ordinance; but the Board, by charging "socialized housing" and by threatening a referendum election, was successful in getting the commission to reverse its decision.

The following year the Board was not able to influence the decision in the authority arena, and used the substitute power act of a referendum. The city commission passed a housing

ordinance at the request of the Chamber of Commerce and other groups as an answer to the need for rental housing. The Chamber was concerned about a shortage in the labor force and contended that the city could not attract additional labor because of the housing shortage. The commission suggested that a realtor be named a member of the Housing Authority.

Defeated in the authority arena, the Board decided to get signatures on petitions calling for a referendum vote and to spend "whatever amount of money is necessary to stop the city from proceeding under the ordinance passed." A budget of \$5,000 was set up for influencing the decision, and a publicity firm was employed to handle the campaign. The directors noted that they were not getting "fair newspaper coverage" since the newspapers were editorially backing the housing ordinance, and that they had to use paid publicity. It was also decided to send publicity directly into the homes of voters and to use radio announcements. Suggestions for the campaign were received from realtor groups in other cities. The ordinance was defeated-- 7,989 to 12,583--and the Board's position of influence was even more firmly established.

Two years later, much the same pattern was repeated. The Board, along with other realtor groups throughout the country, attempted to influence at the national authority level a decision on public housing. The directors urged all members to send letters and telegrams to legislators in Washington, urging defeat of the public housing bill. The Board ran a series of newspaper advertisements urging property owners to similarly contact the legislators. Defeated at the national level when the housing bill became law, the Board attempted to block the establishment of a housing authority by the city commission. Again unsuccessful in the arena of authority, the Board, through referendum petitions, forced the decision into the arena of public election. Spending \$1,500, the Board brought defeat of the housing ordinance, although it was supported by a large number of local organizations and both newspapers.

The pattern of active interest in decisions made in the authority arena continued in 1950, as well as efforts to maintain close contact with those in authority positions. A letter was addressed to the victors in the city election, congratulating them and informing them "of the cooperation which the Board stands ready to give them." The city planner asked the directors to

name a committee to cooperate with him in the preparation of an ordinance on subdivision regulations. The new city assessor met with the Board, asked its cooperation, indicated that he had had this cooperation in the city from which he came, and exhibited "results of their cooperation." He indicated that a fee could be realized by realtors thus cooperating. When a new city manager was appointed, the Board was one of the first groups in the city with whom he met.

In 1951 the directors approved a proposal by the board of education to add two mills to the tax rate for twenty years in order to raise \$11,000,000 for building purposes. Further, the Board spent \$2,000 to gain voter approval of the plan, which came by a two-to-one majority. This was a complete reversal of previous Board policy. The Board had spearheaded the tax limitation in the first place, and had successfully fought repeated efforts to raise additional millage in the past. The dynamics of this situation are analyzed in a subsequent chapter.

It has been the purpose of this section to indicate that from its formative years, the Board has been concerned with the development of the community; and throughout its history has been alert to the possibilities for influencing the decisions

to be made on a large array of social issues in both the arena of authority and that of public elections. It has, through the years, developed a set of relationships, formal and informal, with those in authority positions, which could serve as social capital when the Board entered the decision-making process.

In brief, the Board was historically prepared for the position of influence it had come to occupy in the social power system of the community.

CHAPTER III

CONTEMPORARY STRUCTURE AND FUNCTION OF THE REAL ESTATE BOARD AS A BASIS FOR A SOCIAL POWER POSITION

A. Introduction

In the previous chapter, the developmental history of the Grand Rapids Real Estate Board was delineated with special reference to the implications of this historical process for the present social power position of this group in the community. Here the aim is rather to analyze the contemporary organizational structure of the Board and its current mode of operation, particularly as they form the basis for the social power position.

Obviously, a prerequisite for a group's effective participation in community decision-making is the ability of such a group to make an internal decision as to the kind of stand it is going to take, and as to the intensity of the participation of the group, or the degree of coerciveness it will use in either the arena of authority or the arena of public elections. That is, a group torn with internal dissensions, or, more mildly, a group

marked by large areas of divergent opinions, or a group unable to exercise social controls over its membership is not going to be able to come to decisions which it can effectively translate into a community decision.

In such cases, the most a group could do would be to come to a majority decision as to how the group felt about a given controversial issue. It could announce a "stand," or take a "position," or adopt a "resolution," but the implementation in terms of influencing community decision-making effectively involves, in regard to most issues and especially in regard to controversial ones, a tighter organizational structure. It involves a rallying of the group, after possible disputatious maneuvering, to the majority point of view. It involves techniques for controlling recalcitrants and nonconformists; controlling either in the sense of converting them to the majority point of view, or at least in neutralizing them.

In other words, the way in which a group effectively engages in influencing external decisions, decisions made outside the group, is vitally related to the way in which it makes and executes internal decisions. This, in turn, is related to the structure and function of the group involved. It is important

to note what machinery is provided for making internal decisions, how the group controls admission of new members, what kinds of controls the group uses to assure conformity, and what kinds of penalties are available in case of nonconformity.

Further, the effectiveness of a group's participation in the community decision-making process is related to the financial position of the group. Sending frequent telegrams to city commissioners, to supervisors, to state and national senators and representatives involves a considerable expenditure of money. So does buying dinners for such people in authority positions, and so does sending delegations to committee hearings and congressional sessions in Lansing and Washington.

Similarly, appealing directly to voters through radio and newspaper advertising, through letters to householders, and through pamphlets and sound trucks, involves sizable monetary expenditure.

The social power position of a group, then, is related to its financial position, and necessitates observing the methods available to the group for obtaining the funds to effectively engage in community decision-making. One of the important explanatory factors in understanding the social power position of

the Grand Rapids Real Estate Board involves its unique method for financing its role in the decision process.

Finally, the effectiveness of a social power position is related to what might be called the vigilance of the group, or its awareness of impending decisions, so that the group may enter the decision-making process at the earliest, or at the most advantageous, moment. It will be seen that the committee structure of the Board, and the way that the committees function, provided for just such vigilance, and the sending out of early alarms in case of danger or threat to the value system of the group. Hence, there was a city planning committee, a legislative committee, a taxation committee, and a vigilance committee. This is not to suggest that these committees served only a negative, a checkmating, function. They were to be vigilant in a positive sense, too; alert to propitious circumstances for promulgating and effectuating decisions appropriate to the group's value system.

This vigilance was also assured by the relationships which the local Board maintained with Michigan Real Estate Association and the National Association of Real Estate Boards, and thus with every individual board throughout the country.

Here, again, the organizational structure and the functions of the group are significant in understanding the social power position of the group.

B. Membership in the Board

The Grand Rapids Real Estate Board is a Michigan non-profit corporation, having been incorporated as such in 1945, although its history goes back at least to 1893, as indicated in the preceding chapter. Its jurisdiction, assigned by the National Association of Real Estate Boards, included all of Kent County, with a population of over 287,000 in 1950.

The Board was composed of 424 representatives of 124 realtor firms. The term "Board" refers to the collective membership, and is not used in the ordinary sense of a policy-determining nucleus of a larger organization. This policy-determining body of the Real Estate Board was called the "directors." Although not all those dealing in real estate in the community were members of the Board, the most active real estate men were members. According to Board records, more than 90 per cent of the real estate transactions in the community were handled by members of the Board. Since the term "realtor" is copyrighted

by the national organization and assigned for use to its local affiliates, only members of the Board may use the name "real-tor" and display the characteristic oval-shaped shield.

The Board did not impose limits as to the number of members, but insisted only that applicants for membership be "qualified." Applications for membership were made in writing and needed the endorsement of at least two senior members of the Board. Notices of all applications for membership were sent to all members of the Board, with a request that any member present to the directors such adverse information bearing upon the qualification of the applicant as he may possess. All applicants must have a state license to deal in real estate. This license involved passing an examination and spending a certain length of time in internship with a licensed real estate agent.

After considering all factors, including the adequacy of the office space of the applicant, the directors made the final decision on admission. Although no constitutional limits were set on membership, an actual limit could be, and at times was, achieved through indefinite postponements of action on applications for membership, or by rejection of applicants.

For a period of two years after election to membership, the individual is called a junior broker and is on probation. During this period he must make available to an examination committee of the Board all records pertaining to the conduct of his business. He must demonstrate his willingness to observe and comply with the by-laws and the rules and regulations of the multiple-listing system, and with the code of ethics of the Board and of the National Association of Real Estate Boards. He must also pursue a course of study outlined by the directors. At the end of the two-year period he is elevated to senior broker status, disqualified from membership entirely, or continued on probation.

Upon admission to senior membership, the individual is invited to a dinner meeting with the directors and is presented a framed scroll indicating his full membership. The function this technique serves in stimulating pride in the organization and in-group loyalties is obvious.

Entrance fees for junior broker members were \$500, and membership fees for senior brokers were \$500. This means that a person seeking admission to the Board must be prepared to

make a \$1,000 initial payment to the organization. Annual dues were twenty-five dollars.

There were no Negro members of the Board, and, according to the executive secretary, none had ever applied for membership. There were several Negro real estate agents, licensed by the state, in the community.

C. The Impact of Organizational Change on Decision-making

General meetings of all members of the Board were held once each month, with an annual meeting for the election of officers scheduled in December. The meetings were designed primarily to serve sociability and educational purposes, with a minimum of attention being given to policy decisions.

The board of directors, composed of nine men elected by the membership, met weekly. Six men were nominated for the three director posts, which were to be filled each year, by means of a direct primary by mail. From the six named, three directors were chosen for a term of three years at the annual elections. A director was not eligible to succeed himself.

This last provision was a recent innovation, and was said by some members to have resulted in changing the character of

the board of directors, and thus in changing the nature of the decisions which the Board had taken on community issues. It thus illustrates the thesis of this chapter--that a study of the structure and function of a group is necessary in order to understand its role in the decision-making process. Previous to this shift in policy about six years ago, there was a strong tendency toward perpetuation of membership on the board of directors. As one realtor put it, "Elections were hardly necessary because the same men were returned to office year after year. It was considered an insult to the solidarity of the group to actively support a nonincumbent candidate."

This resulted in placing the policy determination of the Board in the hands of a well-entrenched group of older members who had a point of view considered too conservative by a number of younger members. Increasingly, these older members made decisions on community issues which were considered "too negative" by the younger members, and thus a threat to the continued position of social power held by the Board. One of the realtors expressed the apprehension this way: "The old guard just could not see that some change was necessary and that we would ruin ourselves if we continued to stand in

opposition to every suggestion that arises in the community."

Since the locus of internal decision-making of the Board was the group of nine directors, the recalcitrant younger members realized that the only hope for a change of policy rested in effectuating changes in the composition of the board of directors. It was found that this could not be achieved by backing younger candidates against the older incumbents, since this was considered a threat to the successful, existent internal power structure. A number of Board members who felt sympathetic to the younger group could not bring themselves to voting against the incumbents "who have given so many years of service to our organization."

Failing in this approach, the younger group then advocated a change in the by-laws, making it impossible for a director to succeed himself in office. One of the effects of such a policy would be to "throw the next election for directors wide open," with an assurance that all three newly-chosen directors would be newcomers. Further, in subsequent elections, although a former director could again hold office after a year of absence, there would never be a choice between incumbent and challenger.

One could then vote for a person without having to thereby cast a vote against another person's continuation in office.

Such a change, involving as it did the internal power structure, necessarily had to be legitimized to win the favor of the group. The group had to be convinced that it was the "right," the "logical," the "sensible" thing to do. The legitimization for the change involved telling the membership that greater participation on the board of directors by other members would result in their having a greater appreciation and sympathy for the directors. They would see the large amount of time spent by the directors and the difficulty of the decisions which they must make. Thus, criticism would be lessened, and a stronger solidarity would result.

Another legitimization technique involved stressing the importance of having experienced reserves available in the event it became necessary to fill a vacancy on the board of directors. "With a number of men with some previous experience as directors," the group was told, "we can be sure that when a vacancy must be filled we can maintain the same high type of leadership."

Thus legitimized, the decision to change the by-laws was made, although it encountered considerable opposition. It was generally felt that the about-face which the Board did in its decision to support the school rebuilding program in 1951, as described in the next chapter, was due largely to this shift in the composition of the board of directors.

Several realtors suggested that there was "night and day" difference between the kinds of stands the Board would take on community issues before and after this change. One realtor said that whereas "the old guard considered the city commission as its sworn enemy and opposed almost everything it did, the Board now is agreeable to working along with the commission on a more friendly basis."

It should be noted that this shift in emphasis did not involve abandoning attempts to influence decision-making in the arena of authority, but simply a shift in techniques to be used in this influence process. In a sense it could be said that this involved a shift from active opposition and open hostility to a pattern of infiltration. The dimensions of this type of influence will be delineated in a subsequent chapter.

After the three new directors had been chosen in the manner outlined at the beginning of this section, the Board elected one of the members of the board of directors to be president for a one-year term. The other officers, vice-president, secretary, and treasurer, were elected from its members by the directors. An executive secretary was appointed from outside the membership of the Board.

D. Authority of the Directors and the Implications
for the Social Power Position

The administration of the Board was vested in the directors who determined all matters of policy which were not reserved by the by-laws for determination by the general membership. The directors had exclusive supervision, jurisdiction, and management of all matters concerning the multiple-listing system, commissions and compensation of broker members and their salesmen. They heard and passed upon, and had exclusive jurisdiction of, complaints presented by members and nonmembers against any broker member of the Board, or against any salesman or employee of a broker member.

The directors administered the finances of the Board, and could invest its funds at their discretion. Income derived

from operation of the multiple-listing system may be used to bear the cost of " . . . such other burdens as the board of directors may see fit to impose. The directors shall have sole authority to appropriate money . . ." (By-Laws of the Grand Rapids Real Estate Board, Article X).

The nine directors, then, not only had the authority to determine policy and make decisions for the group, but also had the tools for effective execution of decisions, both through control of the membership and through control of the finances. The significance of this for the social solidarity of the group and the united front it presents to the community, and, in turn, the importance of this solidarity in implementing its decisions in the community will be discussed in Chapter V.

The president appointed all committees, subject to confirmation by the directors, and was ex officio member of all committees. The committee structure included the following: building, city planning, education, finance, forms, farm brokers, industrial, legislative, library, lawyer realtor, meetings, membership, women's activity, publicity, recreation, taxation, vigilance, photo listings, special examination, and Constitution Day.

Three of these committees had particular significance for this study in that they illustrate the institutionalization of the influence role in the decision-making process. The legislation committee was organized to guard and promote the interests of real estate before legislative bodies. The taxation committee was to have oversight over matters of assessment and general taxation, and to give the Board information of proposed changes. The city planning committee was to cooperate in every way with the City Planning Commission and to keep the Board informed as to zoning, street-widenings, and other city planning problems.

Any member of the Board who was found guilty of violation of any of the by-laws or of the rules and regulations of the Board might be censured, suspended or expelled upon the affirmative vote of at least five of the nine directors after due trial by the directors. The significance of this control over the members is indicated when one considers that each member's business was dependent on access to real estate listings which were owned by the Board and available only to members.

The code of ethics of the National Association of Real Estate Boards had been adopted by the Grand Rapids Board as

part of its rules and regulations. Among other things, this code demanded that a realtor should so conduct his business as to avoid controversies with his fellow realtors, but in the event of a controversy, it should be submitted for arbitration and not to a suit at law. It also forbids a realtor to publicly criticize a competitor, and forbids a realtor to be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood.

In 1951 the Board operated on a budget of \$59,200. Major sources of income included commissions on sales because of multiple listing (\$43,000), listing fees (\$6,000), entrance fees (\$3,000), and membership dues (\$2,900). From this it may be seen that \$49,000, or over 80 per cent of the Board's income, came directly from operation of the multiple-listing system.

E. The Multiple-listing System as a Basis for Social Power

The multiple-listing system, inaugurated by the Grand Rapids Board on January 1, 1924, was a procedure whereby the property listings of every realtor become the property of the

Board, and thus were available to all the members of the Board. For example, if a property owner listed his property for sale with realtor A, the realtor must file this listing with the Board office. The office sent out a daily bulletin to all members including new listings, changes of price, withdrawals of listings, and other pertinent information. Any member might then sell the listed property. In effect, this provided a common "stock" of saleable properties which every member might use. The system covered all of Grand Rapids and the area within ten miles of the city limits.

In the latter part of 1948, the Board also adopted the photo-listing system whereby each listing sent out to members was accompanied by a photograph of the property. The Grand Rapids Board was one of the first in the country to adopt the multiple-listing system, and was the first to inaugurate the photo-listing system.

If a property was sold while listed with the Board, a sales tax was paid to the Board. The fee was 2-1/2 per cent of the broker's commission if listed and sold in the same real estate office, or 3 per cent when listed by one office and sold by another office. On interoffice sales, the balance of the

commission (beyond the 3 per cent) was divided two-thirds to the selling realtor and one-third to the listing realtor. A filing fee of fifty cents was required with each listing.

Between six hundred and seven hundred listings were filed with the Board office each month, with more than one-fourth of the listings coming from four real estate offices.

All advertising was done by the listing realtor, and since a sign was considered advertising, only the listing realtor could place a "for sale" sign on the property. In the event of misunderstanding or controversy between Board members, or between a member and his customer, the board of directors functioned as an arbitration committee and interpreted matters of policy. A considerable portion of the time at the weekly meetings of the directors was spent on the operation of the multiple-listing system.

Membership in the Board was individual and nontransferable, and all members of the Board automatically participated in the multiple-listing system.

The multiple-listing system has played a large part in shaping the history of the Board and in determining the role the Board has played in the community. This fact the Board

itself recognized. In one of its publications, the Board said the following:

Not until 1924 when multiple listing was adopted did the Board show strength . . .

Cohesion of membership and financial position make its responsibility in the community a force and influence. Any civic project of merit finds the moral and financial support of the Board behind it. The Board started as a trade organization for its own benefit and has grown in vision and outlook to a quasi-public institution in influence. . .¹

The Board asserted that the multiple-listing system had enabled it to weather the depression, own its own building, sponsor courses for its members, establish a library on real estate, occupy a position of prestige in the community, and own a "comfortable operating reserve. The multiple-listing system is more than self-supporting."²

The Board maintained that the system was one of the best public relations agents any organization could have, since the public knew that the Board held its members responsible, and that anyone having a complaint could bring it to the arbitration

¹ Multiple Listing (Grand Rapids: Grand Rapids Real Estate Board, N. D.) (Ascertained date, 1947), p. 2.

² 1948 Yearbook (Grand Rapids: Grand Rapids Real Estate Board, 1948), p. 14.

committee and have a hearing. Further, the Board claimed that the multiple-listing system held down membership turnover, since the Board owned the "stock of merchandise."³ As one member said, "I would be foolish to leave the Board. Where else could I get millions of dollars worth of stock without making an investment."

The multiple-listing system, then, provided the Board with a very large share of its financial resources, developed social cohesiveness through the interaction and interdependence of Board members, and provided an effective and constant self-regulatory process. It also provided the basis for a position of social power in the community. In addition, social solidarity and group pride had been fostered by the national recognition gained for the local Board because of its successful operation of the multiple-listing system. Board minutes for February 4, 1948, record that the "president congratulated old and new members for the fine reputation of the Grand Rapids Board nationally and the esteem with which the Board is regarded by officers of the National Association of Real Estate Boards."

³ Ibid., p. 16.

Weekly, the Board received requests for information on the multiple-listing system from other boards throughout the country, and its personnel were constantly in demand as speakers on this subject at regional and national meetings. Talks with individual realtors strongly reflected this group pride and "we" feeling which develops when a pioneering effort is recognized as a success. In fact, a number of realtors insisted that the idea originated in Grand Rapids and were visibly disillusioned when informed that the idea had been tried previously elsewhere, although not with the pattern of success experienced in Grand Rapids.

F. Relation to Other Real Estate Groups

The Grand Rapids Board was a member of the Michigan Real Estate Association and of the National Association of Real Estate Boards. The latter organization in 1951 was composed of 1,129 local real estate boards in forty-five state associations, comprising 44,546 realtor members.

In June of 1951 an International Confederation of Real Estate Agents was formed in Paris.

This affiliation of the local Board with state and national real estate organizations has enhanced its social power position and enabled it to more effectively engage in the decision-making process in the community. Although this will be discussed more completely in Chapter V, several factors may be indicated here. For one thing, this affiliation provided the local Board with consultant service on techniques for influencing community decisions. The experience of other communities was made available to the Board for it to emulate, to use with refinements, or to warn against areas of difficulty. Results of national research efforts, clinics, workshops, and training institutes were all helpful to the Board in its local efforts.

It is evident, then, that the social power position of the Grand Rapids Real Estate Board was related to its organizational structure and its current mode of functioning. Some specific instances of the utilization of the social power position in influencing community decisions will be developed in the next chapter.

CHAPTER IV

THE ROLE OF THE BOARD IN COMMUNITY DECISION-MAKING

A. Development of the Social Power Position

Early in its history, the Grand Rapids Real Estate Board began taking an interest in influencing decision-making at all levels of government. It made its wishes known on street improvements, extension of public transportation lines, disposition of a dam in the river, and other local issues. Its voice was heard in the state capital, as well as in Washington.

Through the years the Board has taken a constant and active interest in decisions which affect the community. Some of these decisions, particularly those dealing with technical aspects of the real estate business, had a relatively insignificant impact on the community. However, the basic concern of the Board with all matters of taxation involved it necessarily in many decisions of large concern to the community. Its interest in zoning regulations, zoning variations, and city planning similarly involved the Board in decisions of broad concern. Then

there were certain community issues which involved social change and which were at times viewed by the Board as being a threat to certain value patterns cherished by the Board, and which thus engaged the interest of it. An example of this was the Board's opposition to efforts to obtain public housing projects for the community. Some of its interest in community issues may be attributable to its attachment to ideological stands taken by state or national associations of realtors.

So that this interest of the Board in community issues should not be left to chance, the committee structure of the Board provided for three committees whose job partially was to serve as watchdogs to alert the membership to contemplated changes, desired or undesired, so that appropriate action could be blue-printed. These three committees dealt with city planning, legislation, and taxation.

B. Loci of the Power Process

Not only had the influence of the Board on the various community issues been one of long standing and one which was deliberately designed, but it had been marked by repeated success. In general, it may be said that the Board worked out its

stand on community issues in two arenas. At times, the locus of the power struggle was in the arena of authority; that is, in those places where the prerogatives for decision-making were centered, such as the city commission, board of education, and board of supervisors. At other times the power struggle was carried out in the arena of community-wide elections, where the decision rests with the voting populace.

To the extent that a group is successful in influencing decision-making in the arena of authority, the group will not generally find itself faced with the necessity of having to attempt to influence decision-making in the public vote arena. In so far as it can get acceptable decisions made in the city commission, board of education, and the like, it will not have to concern itself with influencing the voter. However, upon finding itself noninfluential in the arena of authority, the group has a second chance to achieve the desired decision by going to the voters with the issue, particularly through such techniques as the referendum.

It is probably also true that to the extent that a group is successful in influencing decision-making in the arena of public voting, it will also be successful in influencing decision-making

in the arena of authority. Having established a pattern of success in winning public support for its positions, those in authority positions, for reasons which will be developed later, will be more attentive to the stands taken by the group.

The Board had experienced a measure of success in influencing decisions in the arena of authority. For example, the city planning commission, in developing a new city-wide zoning ordinance, worked closely during the entire formulation period with the city planning committee of the Board, sought its advice, and generally adhered to its recommendations. So close was the cooperation, and so closely was the advice of the Board committee followed, that when the Board's approval of the ordinance was sought prior to presentation to the city commission, only minor objections were raised, and these were soon worked out by a joint meeting of the two planning groups.

Further, the fact that the Board's stand on a given issue was sought after by those in authority indicated that they appreciated the power position occupied by the Board. The exact limits of this influence were difficult to ascertain, since much of the influence was achieved through discussions carried on within committees and commissions by realtor members of these

groups. For example, one of the most important city commissioners was also an important member of the board of directors of the real estate group and was currently serving as its president. In such cases, the person involved was identified both as a realtor and as a veteran commissioner, and one did not get a clear picture of A influencing B.

However, the Board had not been successful at all times in influencing decisions in the arena of authority. Twice the city commission had passed an ordinance establishing a public housing authority over the strong protests of the Board. Several times the city, and several times the board of education, had decided to go to the voters with a request for increased tax millage to finance needed city and school buildings, again over the strong protests and threats of the Board.

In these cases, having been defeated in the arena of authority, the Board has carried its power struggle to the voting arena. And in this arena the Board has never lost a decision, regardless of the alignment of opposing power groups. Repeatedly, the Board aligned itself against the Chamber of Commerce on community issues and won each time. Several times the Board was opposed by the two local newspapers, but defeated them each

time. That the newspapers are otherwise effective is attested by the fact that they played a large role in the popular overthrow of the city government through recall elections several years ago. On more than one occasion the Board aligned itself against church groups, veterans' organizations, and other civic groups, and each time emerged with the approval of the voters.

In one of the public referendum elections on public housing, after the ordinance had been passed by the city commission, the Board found itself opposed by the Chamber of Commerce, which was at the time worried over a shortage of labor due to a shortage of housing; by the Kent Council of Churches and 32 affiliated organizations; by social welfare organizations; and by the two daily newspapers. Result: the real estate group won-- 12,600 "no" votes to 8,000 "yes" votes.

Similarly, in one of the elections on raising the tax millage for public school buildings, the Board found itself opposed by a whole array of civic and professional organizations, and the opinion of the fire chief that many of the buildings were definitely fire traps. Both newspapers give the board of education advocates column after column of free space to plead their cause, as well as supporting the millage boost editorially. However,

the Board contended that by eliminating wasteful expenditures, schools could be built out of operating budgets. It also said that increased property taxes were contra-American way of life, since "a home-owning America is a strong America," and increased taxes may cause some people to lose their homes. Arguments like these won the decision for the Board. Other factors which helped to explain this pattern of success in influencing decisions in the arena of public voting will be described subsequently.

C. The 1951 School Bond Issue

In attempting to ascertain some of the dynamics of this pattern of success, it was found that some explained it in terms of the advantage that a negative vote has in a controversial issue, particularly, they said, in a community like Grand Rapids which is slow to accept something new. Their point was that the Board always advocated a "no" vote, and that people comfortably vote "no" when in doubt. However, it is significant that one of the important aspects in the success pattern involved a "yes" vote.

This advocacy of an affirmative vote on the part of the Real Estate Board came early in 1951 in connection with a proposed school bond issue of approximately \$12,000,000 for the erection of new school buildings. The bond issue was to be financed by an increase of two mills in the tax rate for a period of twenty years. Although the Board had successfully spearheaded opposition movements to previous attempts to increase the local tax millage, this time the Board took the side of the board of education, reversed its field, and came out publicly in support of the tax increase. Further, it appropriated \$2,000 for publicizing the Board's position, and members of the Board took the stump for the issue. This, in spite of the fact that just several years previous the appropriations and the oratory were aimed against millage increase.

As a result, whereas previous attempts at millage increase, with real estate board opposition, had gone down to defeat, the 1951 proposal, which would raise more taxes and over a longer period of time than the previous proposals, was passed by the voters by a two to one majority.

The only factor which shifted in the 1951 decision process was the position of the Real Estate Board. It had provided

the only organized and vocal opposition in previous millage elections, and with the switch in its point of view, the opposition in 1951 was nonvocal and unorganized. A prominent businessman in the community who owns considerable commercial property wrote the following to the Board, begging it to lead the opposition:

. . . the proposed tax increase will be a hardship to home owners, many of whom are elderly and retired. Business properties are mostly leased for many years so that the owner has no possibility of recovering any part of increased taxes until leases run out. The board of education is conducting a vigorous campaign in favor of it. If the other side is to be adequately brought out it is to your group that the real estate owners of the city will look for leadership. Our opposition should be based entirely on the principle that it is poor judgment to slap the cost of all improvements on real estate. High real estate taxes are the major source of commercial and industrial stagnation and promotes the corroding evil of decentralization. If Grand Rapids wants new homes and factories it is extremely important that the tax rate be kept moderate.

When the Board turned down his request to lead the opposition as previously, the writer of the above letter knew it was futile to attempt to get some other group to fight his battle, and no sustained, organized opposition appeared in the campaign.

The question remains as to what caused the shift in Board policy from vigorous opposition of the millage increase to vigorous support. Basically, the answer lies in the fact that school

officials were for the first time aware of the strategic position of the Board in the community decision-making process, and hence, of the necessity of gaining its support before there could be hopes of a successful campaign. There was an awareness that the rightness or legitimacy of a cause was not enough to carry a decision in the decision-making process, but that it was also necessary to assess the social power arrangements in the community.

In previous campaigns, school officials thought it was sufficient that a survey by imported experts had shown the need for new buildings, that newspaper pictures revealed the antiquated character of many of the buildings, that fire inspections had shown that many of the buildings were fire traps, that many good and influential citizens endorsed the idea of increased millage, that schools are near to the heart of everybody, that an imposing list of civic organizations had come out publicly in favor of a school bond issue, that the increase in the tax rate would not be a frightening one, that the newspapers had pledged their support in publicizing the issue. All of these things were thought to be sufficient for gaining an affirmative vote from the people. But several defeats proved to school officials that all

From what *psychiatrist couch did this information*
derive. *Sources - how do you assess motivation?*

of these were not sufficient, that the opposition had been underestimated, that the locus of social power in the community was affected by the influential position of the Real Estate Board.

Given this orientation, school officials realized that one of their first efforts toward gaining popular support for a bond issue had to be gaining the approval of the real estate group. This involved an all-out attempt to understand the value system of the realtors and to work with these values. In previous campaigns the Board had been asked to support the millage increase on the basis of community need and the Board's responsibility to the children. Obviously, these appeals were unsuccessful. In the 1951 campaign, the appeal was not so much community need and benefit as it was on the basis of personal benefit of the bond issue to the realtor. Further, the strategy for seeking Board support shifted from meeting the Board head on, to one of gaining approval first of certain key members of the Board who would in turn influence the larger membership.

Hence, several realtors were appointed to the Citizens Advisory Committee, a group of citizens who were to study the needs of the school system. This group, including the realtor members, decided that it was necessary to conduct a large

school-building and school-renovating program, and that this would involve an outlay of about \$12,000,000 which should be raised by an increase in tax millage for twenty years so that a bond issue could be floated.

The representation of the real estate group on the committee was important in at least two respects. For one thing, it made the Board feel that it had a share in the study, planning, and decision-making in the early stages of the venture. More important, however, it provided the school officials with several important realtors who were convinced of the need for a tax increase, who, on the one hand could go back to the Board and plead the school cause, and, on the other hand, could provide school officials with the kinds of arguments which would make the most telling impact on the Board, given its idiosyncratic value system. For example, in the negotiation period when the school officials were seeking Board approval, these realtors continually tipped off the school people as to the areas of resistance and the kinds of answers and counterattacks to make.

It was largely because of this coaching that the appeal to the Board was not made in terms of community responsibility, but in terms of personal benefit. As one realtor put it, "The

Board members are a bunch of money-grubbers, and the sooner you realize it the better." For example, the school superintendent, in his meeting with the Board, pointed out to the realtors how home building in the Alger School District had developed just because there was a good school located there. However, he pointed out that in two years the school would be so crowded that, unless the building were enlarged, the pupils would be put on a half-day basis. His point was not that this would be bad for the children, but that it would hurt the selling, renting, and building of homes in the area. In thinking back on this, the president of the Board, who does considerable business in this school district, said, "Approving the bond issue was one of the best things that the Board ever did for themselves and the city." When later one of the Board members complained that approval of the bond issue was railroaded through the Board, the president said, "I told him to check his records as to how much business he did in that area and that he would be ashamed of himself."

The realtors were also told by school officials that when General Motors was considering locating a plant in Grand Rapids several years ago, one of the first things they investigated was

the school system. They then pointed out the extensive residential, commercial, and industrial real estate development which resulted when General Motors did locate a plant in the city. Since most of the realtors had benefited from this development, and since General Motors substantiated the fact of its concern with the school system, the relationship between personal benefit and good schools was rather firmly fixed. It was also easy to see the implications for subsequent business location in the area.

Another point of appeal was that new school buildings were needed in every section of town, and that it made no difference where a realtor had his office or his greatest area of sales, because a new school would spring up in every sector and he would necessarily be benefited by it. The realtors were also impressed with the fact, duly illustrated, that a deteriorating school building means a deteriorating neighborhood.

An argument, brought out by one of the realtors, which proved to have considerable effect was that should the Board oppose new schools, the public reaction would be so bitter that it would interfere with real estate sales. As one realtor put it, "It is extremely embarrassing when you are about ready to close a deal and the client says, 'Oh, you are the group which

opposed building new schools to replace the fire traps my children attend.'" According to several realtors, there was a discernible negative reaction among clients after the board opposed a school bond issue the previous time.

Another appeal had a patriotic or political ring to it. The Board was told that it was part of the American way of life to spend our money at home and not send it to Washington. Since local property taxes are deductible for income tax purposes, it was possible to build schools locally, and to deduct the necessary increase in property taxes from income tax payments. In other words, it is not a matter of tax increase or no tax increase, but whether the tax will be spent locally or go to Washington.

The newspapers reported that the Board had gone on record unanimously in favor of the tax millage increase, but the organization minutes show one negative vote. The president explained that although there was "considerable disagreement," the newspapers were told that it was unanimous so that the group would appear to the outgroup to be united behind it. Through symbol manipulation the image of solidarity was preserved.

The group then appropriated \$1,000 to actively foster an affirmative vote in the election.

Since the Board was now in public and active support of an issue which it had strongly opposed several times previously, it became necessary to develop a legitimization rationale for its new decision. Somehow, the various publics in the community must be made to see that the new position of the Board was "right" and "legitimate," just as it had attempted to convince these same publics previously that the opposite position was also "right" and "legitimate." This, of course, meant using in many cases arguments which were the exact obverse of arguments used when the Board was opposing school bond issues. However, at no time did the Board go to these publics and say that it had been wrong before, or that it had changed its mind, or that changing conditions necessitated a new policy.

Rather, the group attempted to give the impression, both in its full-page newspaper advertisements and in the speeches that individual realtors gave in support of the bond issue where the shift in Board policy was brought to the attention of the speakers by the audience, that the new decision was consonant with the basic orientation of the Board through the years.

For example, in its advertisements the Board asserted that the protection of the interests of home owners and taxpayers had always been foremost with the Real Estate Board, "as is well known." It then went on to give the reasons why it believed that the proposed school bond issue was best for the taxpayer, the home owner, and the community. It pointed out that school facilities had deteriorated to a point where property values would be affected, that not in twenty years had a new school been built, that present school buildings, some sixty years old, had had practically no modernization. The Board indicated that the community was growing, that birth rates were up, that school enrollment would soon increase over 40 per cent, and that many of the schools were already overcrowded.

The Board warned that new residential areas have been developed which are without school facilities and that these areas must have schools or their growth would be retarded, that families and taxpayers are being lost to the city because they are moving to outside areas with good schools, that industries are reluctant to locate in communities without proper school advantages. Such unfavorable trends inevitably hold back a community and affect property values, it concluded.

As to the specific matter of tax increase, the Board comforted the public with the fact that it would amount to only two dollars more per year per \$1,000 assessed valuation. Since the one-mill airport tax was ending at the time, the Board said that the actual net increase will be only one mill, or about \$3.20 a year for the average home owner with an assessed valuation of \$3,200, which is less than one cent a day.

It also suggested that tax rates in Grand Rapids were lower than in most other cities in the country. Further, the Board had had communications from real estate groups in other cities indicating that they had supported school bond issues in their communities.

Although all of the arguments used by the Board to interpret its position to the public in the community had been used in previous years by groups approving of the increase, they had been vigorously opposed by the Board then. When the inconsistency was pointed out to a realtor addressing a public meeting, he denied any inconsistency, asserting that the Board had always had as its primary interest the protection of the taxpayer, the home owner and the community welfare.

Because of the success of this legitimization process, the reversal of policy did not result in a threat to the social power position of the Board either through the development of confusion in the minds of people or through the exposure of ulterior motives on the part of the Board. Rather, it was used to strengthen the position of the Board as a system of influence in the decision-making processes of the community. In the first place, it effectively answered the oft-heard charge that the Board was a negative, backward-looking, obstructionist group. No longer could it be said that the Board was opposed to all change or to anything that was new. No longer could it be said that the Board willy-nilly opposed all tax increases, with the assumption that this opposition had a selfish motivation. Secondly, it gave the Board an opportunity to sell itself to the various publics as a perennial supporter of the interests of the taxpayer, the home owner, and the community. The more firm entrenchment of that image in the community could be effectively used as social capital in later decision-making situations. Thirdly, it aligned the Board with the entire array of other civic, professional, and commercial organizations in the city, thus indicating that the Board was a

"cooperative" group that could get along with others when a cause was "worthy."

D. Other Examples of Real Estate Board Influence
in Community Decision-making

The extensive participation of the Grand Rapids Real Estate Board in the development of a new city-wide zoning ordinance provides an illustration of a different method of influencing the decision-making process in the community. The new zoning code, replacing a 28-year-old ordinance, regulates the residential, commercial, and industrial utilization of land in all sections of the city. Hence, the code is the basis for a whole network of subsequent decisions affecting practically every citizen and every business establishment. Thus, too, any group which can effectively influence the development of such a zoning code can be said to have an indirect influence on this subsequent network of decisions. Through participation in basic policy formulation, the influential group can withdraw from the decision-making arena, while the basic policy spelled out in the zoning code remains determinative in many later decisions.

The Board played such a part in the formulation of the new zoning code. In fact, it was the only community group to

share in that formulation. As one of the daily newspapers reported, "Drafting the new ordinance has been no simple job. The city planning director and a group of 13 real estate men have been devoting intensive study and thorough field work in recent months, with 'work' sessions once a week since last summer."¹

That this extensive participation of the Board was represented by at least certain groups in the community is indicated by the following complaint in a labor paper: "Representatives of the profit-hungry realty group sat in from start to finish on preparation of the proposed zoning regulations. Labor groups, who have an equal interest in orderly development of the Grand Rapids metropolitan area were ignored by the planning body."²

The city planning director explains the extensive and exclusive participation of the real estate group in terms of the unique knowledge which it had. He indicated that realtors were chosen because it was felt they are thoroughly familiar with the various sections of the city and have the proper background

¹ The Grand Rapids Press, Jan. 1, 1951, p. 10.

² West Michigan CIO News, April 12, 1951, p. 4.

to advise the city planners wisely. This suggests one of the dynamics of the process of determining the right to engage in the decision-making activity of the community; namely, the control of items of technical information. In the following chapter this factor will be analyzed.

There was at least one other reason operative in close cooperation between the real estate group and the planning director. In an interview, the planning director indicated that he knew that such a far-reaching proposal as the zoning code was needed the support of the realtors if it were to gain approval of the city commission and the general public. By bringing the realtors in the policy-formulation process, he felt that their ultimate support was assured. Although the Board finally did give the zoning code its endorsement, it was not until after the Board had several times sent its representatives on the study group back with demands for changes it felt necessary. That the planning director expected such maneuvering is suggested by his comment that "city planning today involves leaving the blueprint to meet and work with important groups in the community. Often one has to compromise until it hurts to get the groups involved to go along with the projected plan."

It is significant that the revised draft of the zoning code aroused practically no negative reaction at public hearings held on the matter, although considerable controversy was anticipated because of the far-reaching implications of the new code and the large number of individuals and groups to be affected by it. The proposal also passed the city commission without a hitch, with even two minority members of the commission who had consistently opposed the five-man majority on other issues voting for approval. The mayor at the meeting publicly praised the work of the Grand Rapids Real Estate Board on the new code.

Similar analyses could be made of other community decisions--of the proposal for charter revision, of the fight for decontrol of rents, of the struggle for a new system of assessment for the city, of millage increases for expansion of the airport, of the establishment of a municipal parking authority for the erection of public parking ramps (on which, incidentally, the Board looked with favor), of proposals for public housing, of other tax millage increase schemes, of sales tax diversion amendments, and many others.

In all of these decisions affecting the welfare and direction of movement of the community, the real estate group was

active in varying degrees of intensity, either through the participation of its membership in the arenas of authority, or through the direct approach to the public in the election arenas.

In recognition of the role played by the Grand Rapids Real Estate Board in shaping community decisions, the National Association of Real Estate Boards, at its annual meeting in Cincinnati in 1951, awarded it national honors for civic activity.

This study is not concerned with an analysis of personal motives, nor with derivative moral evaluations. There is no attempt to come to the kind of conclusions which Dr. Everett C. Hughes comes to in his study of the Chicago Real Estate Board, where he states: "If the Real Estate Board turns evangelist and reformer, it does not do so primarily in the interest of humanity, but of the real estate market. The Real Estate Board, in other words, is a distinctly secular organization, unromantic in its aims and practical in its methods of realizing them."³ However, it is noteworthy how the national award, with its attendant publicity and stimulation of public pride in a local

³ Everett C. Hughes, "A Study of a Secular Institution; The Chicago Real Estate Board," unpublished Ph.D. thesis, University of Chicago, June, 1928, p. 14.

institution which makes good, becomes an important item in the entrenchment of the Board in its position of social power and the enhancement of the possibilities for influence in subsequent community decisions.

This cumulative nature of social power, or the stimulative interaction between influence and recognized success, which was developed historically in Chapter II, is one of the important factors in the explanation of the social power position of any group in the community. This and other such factors will be developed in the following chapter.

E. Summary

In this chapter it has been shown that the locus of social power in a community is affected by the role played by influentials, or those lacking the formal prerogatives for engaging in the community decision-making process. Specifically, the focus has been role of one such group of influence, the Real Estate Board, in this decision-making process. Lasswell⁴ has suggested

⁴ Harold D. Lasswell, The Analysis of Political Behaviour, (London: Routledge & Kegan Paul, 1948), p. 39.

two indexes to determine the distribution of power in a given community: the degree of coercive participation by a group or individual in elections, and the extent to which members of a group are found in the agencies of government.

Applying these indexes to Grand Rapids, it may be concluded that the Real Estate Board occupies a position of social power in the community. It has been demonstrated that the Board actively and successfully participates in elections involving community decisions. The Board is avowedly a nonpolitical organization. When a member was asked what this meant, he said, "We do not take stands on candidates for office." When the participation of the Board in elections involving controversial issues was brought to his attention, he remarked, "In that sense we are in politics," but hastened to add, "but so is every other organization."

As to the second index, it has been shown that members of the Board are found in the agencies of government, both in a consultative capacity and as members of boards and commissions. The important realtor, who also is an important city commissioner, is serving his second term as president of the commission, and has permanent chairmanship of the committee

of the whole. He is chairman of the service committee and chairman of the safety committee, which are second- and third-ranking committees in city government. He is also on the city planning commission, trustee of the sinking fund, on the public recreation board, and member of the county board of supervisors.

Another realtor is on the board of zoning appeals, another on the board of tax review, another on the charter commission. Two of the three city representatives in the state legislature are realtors. There is no point in attempting moral evaluations as to whether this is good or bad, right or wrong, or as to whether their participation in the agencies of government has been harmful or beneficial. The point simply is that such participation, as well as the participation of the Board in elections, indicates the social power position of the Board in the community, and hence, its ability to effectively engage in the decision-making process, whether in the arena of authority or in the arena of public voting.

CHAPTER V

ANALYSIS OF BASIC FACTORS IN THE SOCIAL POWER POSITION

A. Introduction

In previous chapters it has been demonstrated that the Grand Rapids Real Estate Board is effectively operative in the determination of community-wide decisions. It has been shown that the Board had influence when the decisions were made in the arena of authority; that is, among those who held offices which were charged with the responsibility of making decisions, where there was the prerogative for decision-making. Similarly, the Board was seen to influence decisions made in the arena of public elections.

The historical development of the Board as a system of influence in the community has been traced, and the contemporary social power position was found to have extensive historical rootage and did not appear full-blown on the local scene. The historical perspective furnished insights for the more adequate

*not necessarily
you must show
a correspondence between
Real Estate Board and
city government. One
must understand the
nature of the work.*

understanding of the present power position and provided points of reference so that it might be assessed.

The present structure and function of the Board has been delineated in so far as they form a basis for the social power position. The Board's pattern of success in influencing community decisions was found to be integrally related to its organizational framework and mode of operation.

However, a more detailed and specific analysis of the why of the social power position of the Board is necessary. The basic factors involved in its influencing of the making of community decisions must be scrutinized in a more intensive fashion. This is necessary if the study is to move beyond mere description of a situation which exists in a given community. The concern is not to establish the fact that the Grand Rapids Real Estate Board is actively engaged and traditionally successful in influencing decisions which are community-wide in scope. Nor is it the chief concern to delineate the areas of decision-making in which the Board has been historically and contemporaneously active, although this is what Everett Hughes did in his study of the Chicago Real Estate Board.¹

¹ Everett C. Hughes, "A Study of a Secular Institution; The Chicago Real Estate Board," unpublished Ph.D. thesis, University of Chicago, June, 1928.

He traced the history of the organization and indicated and illustrated the ways in which the group had helped to shape the community in which it was located. Hughes found that the Chicago Board was "a unit of social force and political action, taking a prominent part in the discussion and settlement of every question of public interest which has arisen," and that its members devoted almost as much time to public matters as they did to dealing in property.² But beyond this he does not go. The fact of influence is simply asserted and illustrated.

It is the purpose of this chapter, then, to move beyond the area of description and assertion to an analysis of the basic factors in the social power position of the Grand Rapids Real Estate Board. Why has the Board been able to so effectively influence community decisions? What is there about the Board which enables it to achieve a pattern of success in this area greater than that of other community groups? How is it that the Board can take the negative side of an issue, develop a legitimization for it and win voter approbation, and several years later take the affirmative side of the same issue, develop an

² Ibid., p. 194.

entirely different legitimation and again win voter approval?

These and similar questions tend to focus attention on the dynamics of the decision-making process.

However, the purpose here is not solely, nor even primarily, to develop a more complete understanding of a purely local phenomenon. It is not the intention merely to more adequately explain why the Real Estate Board in Grand Rapids occupies a position of social power. Rather, the purpose is, through an analysis of the local situation, to arrive at generalizations which facilitate the understanding of the decision-making process per se, and the role played by the influential in this process. The concern is the derivation of generalizations concerning the basic factors in a social power position which would provide insights in the understanding of other communities as well, and with other groups cast in the role of influential.

In other words, it is not the strange or unusual or the idiosyncratic which merits attention, but rather the larger significations and implications which are deposited as residues from the study of a given group in a given community.

The factors which were found to be significantly operative in the social power position of the Board in the community under

study include such items as the social cohesion of the group and its mechanisms of social control, the financial structure of the organization, the cumulative character of social power, the social capital available to the group because of the technical information it possessed, the awareness of the value systems of various publics, direct participation of Board members in authority positions, the handling of opposition groups, and the adequacy of the legitimation processes.

B. Social Cohesion of the Group

One of the basic factors in explaining the social power position of the Grand Rapids Real Estate Board is the strong social cohesion of the group. The Board is characterized by a social solidarity which welds the membership into an effective unit of organization.

Each member of the Board is in competition with every other member as he strives for listings of saleable property and for sales to those seeking real estate. Yet, the competitive orientation is submerged in the cooperative, and a united front is presented the various publics involved in the decision-making process.

It is this social cohesion which, to a considerable extent, explains why the Board has been able to exert a greater influence over decisions than other groups in the community. Although its membership is not large, being composed of only 424 representatives of 124 real estate firms, the Board has been so effective in controlling its membership that the implementation of a decision is an "all-hands" operation. After a decision is made by the Board, or the directors, there is no room for internal opposition; and usually no room, either, for neutrality. When a decision is made, it is to be actively supported by the entire group, or various types of social control begin to operate.

For example, several years ago the Board decided to oppose a city commission proposal to the voters to repeal the fifteen-mill tax limitation so that necessary city improvements could be made. The Board spent close to \$3,000 in a successful campaign to influence the voters to turn down the proposal. During the campaign, however, a very prominent and active realtor ran a large ad in the newspapers advising home owners to "protect their interests" by removing the fifteen-mill limit. Also, the newspapers, which were backing the proposal, published

a news story quoting this realtor as being in favor of the repeal, indicating that realtors were not all agreed with the position their Board had taken. The directors acted immediately and ordered the offending realtor to desist from using the realtor emblem in any advertising on removal of the tax limit, and to desist from using the term "realtor" when expressing his personal views. Informal controls were also used, and the realtor was silent through the remainder of the campaign.

Similarly, during the successful efforts of the Board to influence voters against the public housing ordinance, several individual realtors admitted to those backing the proposal that they favored the housing ordinance, but could not come out publicly for it because of fear of retaliation from fellow realtors.

Neither is the Board content with an "innocent bystander," a nonparticipant observer, or a neutrality role by a member when a position has been taken to influence a community decision one way or the other. In many cases the exercise of social power involves getting signatures on petitions which call for a referendum or other vote of the people. In the case of one social issue, the Board needed 10,000 signatures on such petitions. Each real estate office was directed to obtain one hundred

signatures. A month later, noting that only 3,000 names had been obtained, the Board decided to hire someone at \$75 per week for two weeks to complete the quota of one hundred signatures per real estate office. The delinquent office was to be charged five cents per name for the needed signatures.

Other techniques for handling opposition points of view within the group have also been developed. One of the realtors was found to be particularly and vocally critical of the decisions of the directors, so the group decided to elect him to one of the nine positions on that policy-making group. In this way, the group felt he would not only better understand the factors involved in decisions the directors made, but also that he would be more hesitant to criticize policies which he had a share in forming. The technique was very effective, and later this realtor was elected president of the Board and is now one of its most ardent supporters.

Social cohesion is also fostered by the practice of settling disputes within the group, rather than by taking recourse to the courts. The Board handles its own adjudication. The code of ethics of the Board demands that a realtor should so conduct his business as to avoid controversies with his fellow realtors,

but in the event of controversy, to submit it for arbitration to the directors and not to a suit at law. The code also forbids a realtor to publicly criticize a fellow realtor.

The directors have the power to censure, suspend, fine, or expel members who are found to be at fault. Considerable time is spent by the directors at their weekly meetings in resolving difficulties which arise between members, largely out of the operation of the multiple-listing system. A relatively small organization, with a selected membership which is dependent for its business operations on the Board-owned multiple-listing system, discipline can easily be enforced.

Hence, the group provides strong compulsives toward conformity. The members are accustomed to looking to the directors for decision when differences arise, and to abide by its findings. This carries over to those decisions of the directors which commit the Board on community issues. As a result, the solidarity of the group is assured and the internal differences never reach the outside publics. Rather, these publics are impressed with the social cohesion and apparent uniformity and agreement in the real estate group.

At times this united front image is fostered by the manipulation of solidarity symbols. On the school bond issue, described in the previous chapter, the newspapers were told that the directors voted unanimously to approve it. The fact is that one director voted against it, as the official minutes indicated, and as was revealed by one of the directors.

The code of ethics, then, acts as both a formal and informal method of control. As Hughes indicates, the premise behind the code is that no item of an individual's activity is without its effects on the business as a whole.³ H. U. Nelson describes the operation of the code as follows:

The code proceeds to elaborate just what is right to do in certain given instances which are presented in everyday business life. The experience of others and the collective conscience of the profession as to what is best and right in a given instance, is, therefore, a helpful guide to the man who is in doubt, and a necessary law for the man who doesn't care.⁴

The multiple-listing system has played a very strategic part in the development and maintenance of the social solidarity

³ Ibid., p. 59.

⁴ H. U. Nelson, Administration of Real Estate Boards (New York: Macmillan, 1925), p. 167.

of the group. However, it deserves separate treatment, and will be discussed in the next section.

An additional factor in the social cohesiveness of the Board is the work of the vigilance committee. The function of this group is to watch the activities of the membership for violations of the code of ethics and breaches of the rules of the multiple-listing system. It is on the lookout for advertising violations, for unsanctioned sales practices, for questionable public utterances of the members, and other behavior considered violative of the codes of the group. Any violations observed are reported to the directors who conduct a hearing on the matter and determine discipline.

The total effect of these factors is to provide the basis for a strongly knit organization, one which is thus prepared to play an effective part in the decision-making processes of the community. Here is a basic explanation as to how a small group, such as the Board is, can achieve such a position of social power as noted previously.

Mosca noted years ago that in any country, actual power was wielded never by one person, nor by the whole community of citizens, but by a particular group of people which is always

fairly small in number as compared with the total population.⁵

He described the process as follows:

In reality the dominion of an organized minority, obeying a single impulse, over the unorganized majority is inevitable. The power of any minority is irresistible as against each single individual in the majority, who stands alone before the totality of the organized minority. At the same time, the minority is organized for the very reason that it is a minority. A hundred men acting uniformly in concert, with a common understanding, will triumph over a thousand men who are not in accord and can therefore be dealt with one by one. Meanwhile it will be easier for the former to act in concert and have a mutual understanding simply because they are a hundred and not a thousand.⁶

Others also have stressed the social power role of the organized minority. Bierstedt, for example, locates three sources of social power: numbers of people, social organization, and resources. Regarding the second, which is my concern here, he asserts that social organization is superior to numbers of people, since an "organized minority can control an unorganized majority."⁷

⁵ Gaetano Mosca, The Ruling Class (New York: McGraw-Hill, 1939), p. ix. (Edited by Arthur Livingston. Translated by Hannah D. Kahn. Originally published in 1896.)

⁶ Ibid., p. 53.

⁷ Robert Bierstedt, "An Analysis of Social Power," American Sociological Review, 15:737, December, 1950.

One of the basic factors, then, in the social power position of the Grand Rapids Real Estate Board is the strong social cohesiveness which its organizational structure and modes of controlling membership provides. It is important to note that none of the other organized minorities with which the Board has come into opposition on social issues, such as the chamber of commerce, league of women voters, council of churches, PTA groups, and the like, exercises control over its membership to the extent that the Board does.

C. The Multiple-listing System

A second basic factor in the analysis of the social power position of the Board is the multiple-listing system. The mechanics of this system have been described in Chapter III. In brief, it provides that the property listings of each member realtor of the Board become the property of the Board, and every member has the right to sell from the listings. Every realtor thus is provided with a large "stock" of saleable properties with which he operates his business, and is not confined to attempting to sell only properties listed with his office.

The importance of the multiple-listing system lies in the following facts: it provides a major part of the income of the Board, it is an excellent public relations program, it stimulates feelings of group pride in the organization, it strengthens the position of the directors, it gives an effective basis for discipline of members, it develops a cooperative spirit among the members, and it encourages the growth of membership. All of these, in turn, are important for understanding the social power position of the Board.

In 1951 the Board operated on a budget of \$59,000, with over \$49,000 of this, or over 80 per cent of its income, coming from the operation of the multiple-listing system. Although chartered as a nonprofit organization, the Board admits that the system is more than self-supporting and provides the Board with a comfortable operating reserve, as indicated in Chapter III.

There are two implications of this which are of concern here. First, the income from the multiple-listing system provides the Board with a fund which can be used, and is used, to finance the participation of the group in the decision-making processes of the community, whether in the arena of authority

or the arena of public elections. It is not suggested here that the fund is used to bribe those in authority positions, but it does enable the Board to entertain officials at dinner meetings, to finance telegrams and delegations to those in authority, and to finance participation in surveys and similar endeavors. Further, it provides a campaign fund for newspaper ads, leaflets, letters to householders, radio and television time, sound cars, speakers, and the like, when the issue is to be decided by public vote.

Second, the directors have the authority to use this fund without consulting the membership. Hence, the decision of the directors to take a given stand on a community issue does not have to be sold to the larger membership, but can be immediately implemented. Further, the availability of this fund means that the directors do not have to assess the membership for finances to engage in the community decision-making processes, which is a technique used by most of the organizations which the Board encounters in the social power struggles. The assessment technique always involves the dual hazard of stirring up protests and of not attaining the desired goal because of recalcitrants. Such was the experience with the assessment system used by

the American Medical Association, for example. In either case, the group involved cannot with resoluteness and vigor delineate a campaign on short notice.

The Real Estate Board, on the other hand, boasts of never having to assess the membership for funds. This obviously is painless and pleasing to the members, on the one hand, and enables the directors to immediately implement a decision, on the other. The directors can decide to support a school bond issue, and in the same action appropriate a sum of money from the surplus multiple-listing fund to implement the decision in whatever way seems indicated.

Several realtors expressed concern over this situation, indicating a fear that either the Board or the directors would become so proud of their ability to easily finance participation in the decision-making process that it might be used more and more frequently and indiscriminately, much like a strong man flexes his muscles, and that public hostility would be aroused. Others indicated that they felt no fear on this point, since the group was "conservative, thrifty, and proud of its surplus," and would not want to endanger it by frequent withdrawals.

First of all, then, the multiple-listing system provides a financial basis for the social power position of the Board.

Secondly, the system serves as a public relations mechanism whereby community respect for the Board is engendered. The Board tells the public that the system is designed to give them the best possible service in selling or buying real estate. A person understands this claim when he considers that every realtor in the community can work on selling his property or locating property for him, since every listing, with photographs, is immediately sent to all realtors. Since very few communities have real estate boards with either multiple-listing and/or photolisting systems, the Grand Rapids Board can boast in its public contact of providing a distinctive service for the benefit of the community. The fact that it is also a financially lucrative system for the Board does not have to be publicized.

Further, public respect for the real estate profession is enhanced by the fact that the public knows that the Board holds its members responsible, that anyone having a complaint may bring it to the directors and have a hearing, and that the multiple-listing system provides a control technique.

Calling the multiple-listing system the "best public relations angle we have," one realtor advised hiring a public relations man to better acquaint the public with the system so that the maximum benefits in social relations could be achieved.

Thirdly, the multiple-listing system is an important factor in understanding the social power position of the Board because of the feeling of in-group pride in the organization which it has developed. The Board has achieved national recognition because of its successful operation of the multiple-listing system and for its pioneering work in combining with it the system of photolistings, described in Chapter III. Although not the first real estate group to use the system, the Grand Rapids Board is generally recognized as being the most successful operator of such a system. Continually, the Board receives requests for information concerning it from other boards throughout the country. Delegations from other cities come to observe the system in operation, and Board personnel are constantly in demand as speakers on this subject at regional and national meetings.

All of this results in a strong we-feeling, a sense of satisfaction with the attainments of the organization. This quite naturally develops an esprit or geist which strengthens the social

solidarity. This acts as a buffer against criticism, both that coming from within the group and that from others in the community. The more successful a local group and the larger its national acclaim, the fewer the criticisms that will normally be levelled at it, and the better able the group is to shake off the critics. Further, the group can appeal to this pride in the organization to get the members to actively promote the ventures of the group, including those aimed at influencing community decisions. The appeal is something like this: "The prestige of our prestigious organization is at stake. Let's get behind this and protect our reputation."

The multiple-listing system, then, because of the honors it has brought the local Board, serves as a positive force to stimulate both the loyalty and the active participation of the membership.

Fourthly, the multiple-listing system has resulted in a strengthening of the position of the directors. By placing the operation of the system in the hands of the directors and assigning to them all matters of arbitration when problems arise between members on business deals, a formerly loosely run and

flimsily controlled organization of men with like interests became a tightly knit, closely supervised unit.

The directors, since the inauguration of the multiple-listing system, meet weekly, and for hours at a time, to make decisions affecting the Board as a whole, as well as the individual members. Because of the finality with which the directors speak on the many details of the intricate multiple-listing system, the members are accustomed to looking in their direction for decisions. This socially conditions the members to accept decisions of the directors concerning participation in the determination of community issues. The directors are aware of this, and the nine men, meeting frequently, can confidently and immediately take action when an issue arises.

This is not to suggest that the directors have absolute power in the real estate group, nor that they never refer an issue to the membership for advice. It does, however, suggest that in a group which places with a board of directors large responsibility for making final decisions on a large number of technical details which basically affect both the group as a whole and individual members, the members will become conditioned to looking to those directors for decisions; and decisions not

only concerned with the multiple-listing system, but also other kinds of decisions. Also, a corollary, that this procedure provides the machinery for making other kinds of decisions, and conditions the directors to making final pronouncements on other issues.

All of these factors are relevant for an understanding of the social power position of the Board. The machinery is there for making immediate and final decisions. No social issue which arises calling for a community decision catches the Board unprepared to act. Those who would seek Board support or opposition for a community proposal usually need to convince only the nine directors. A partial explanation for the group's acceptance of the conclusions of the directors lies in the fact that it habitually looks to the directors for decisions. Finally, it offers an explanation for the situation where frequently individual realtors have been asked why they have taken a certain stand on a community issue, and the reply is that they don't know, that they really are uninformed on the issue, but that the "directors have decided it." Given the internal power structure, the fact of an individual realtor actively supporting or opposing a community issue on which he is uninformed is no longer

baffling. Further, the reply "the directors have decided it" offers the individual realtor an effective defense when other groups in which he might hold memberships, or his clients, friends, neighbors, or others oppose a stand of the Board and criticize him for it.

Fifthly, the multiple-listing system is a significant factor in understanding the social power position of the Board because it provides an effective basis for control and discipline of the members. Not only does the system condition both members and directors to respectively following and making decisions, as just indicated, but it affords a crucial control technique. Since the individual realtor is dependent on property listings for the carrying on of his business, and since the Board owns the listings, the Board actually has control of the stock used by the member in making his living.

Expulsion from the Board membership or even temporary suspension means a sudden death blow to the member's business, since listings may only be sold or bought by members in good standing. Even though the expelled or suspended member had filed a large number of listings himself, they have become Board property and may not be withdrawn at will.

Because of this strong disciplinary measure available to the group, a member cannot afford to risk even temporary suspension. Thus, his behavior conforms to the demands of the organization, and social solidarity is preserved. No other organization in the community which concerns itself with the decision-making process has that kind of control technique available to it. For example, members of the Chamber of Commerce own their own stock, whatever it may be, and expulsion from membership would not have the bread-and-butter implications that it does have in the Real Estate Board.

Here, then, is another factor in the pattern of success of the Board in community decision-making. When it takes a stand, the membership is behind it as one man, because of the social cohesiveness of the organization and the controls operative over members.

A sixth way in which the multiple-listing system serves as a basis for social power is the cooperative spirit which it develops among the members. Today, Realtor A sells a house listed with the Board by Realtor B and both profit by it, as indicated in Chapter III. Tomorrow, Realtor B sells a house listed by Realtor C, both again profiting by the sale. Thus,

each realtor is continually aware of his dependence on the other members, both for the sales he makes on listings of others, and for the commissions he gets from the sales others make on listings he has filed with the Board. Records show that over half of the real estate sales are of this interoffice variety, where the sale is completed by some other office than the listing office.

This situation of interdependence may be contrasted with the strictly competitive nature of real estate transactions when a multiple-listing system is not used. Under such conditions a realtor benefits at the expense of others, as is the case of two similar businesses on the same street, and conditions are more conducive to the rise of suspicions, internal rivalries, jealousies, and animosities which often vitiate the strengths of the organization, which might have been used in influencing community decisions.

The symbiotic relationship resulting from this competitive-cooperative system is another source of social strength for the Board as it enters the decision-making processes of the community. Further, each member of the Board becomes better acquainted with other members as cooperative deals are

consummated on an arranged basis. Members are thrown together in daily contacts, and their social intercourse is not limited to the monthly meetings.

A seventh significance of the multiple-listing system concerns the way it stimulates membership and the way in which it has eliminated the problem of membership turnover. Prior to the inauguration of the system, membership drives were common and membership turnover was a problem, as the history of the Board in Chapter II indicates. Since the multiple-listing system was instituted 27 years ago, no membership drive has been necessary; this, largely due to the fact that the Board owns the "stock of merchandise." Only by membership in the Board can one obtain access to the file of hundreds of saleable properties.

Thus, the Board has grown not only in size, but also in stability of its membership. Members do not have to be argued into the organization, nor do they have to be persuaded to remain. Uncertainties concerning affiliation do not exist. A member does not doubt the wisdom nor question the advantages of continued membership. The strengths of the Board, in terms of finances or time, are not dissipated on maintaining the internal

structure, but rather, can be used in implementing decisions in the community. There is no fear that a stand taken will offend a member or several members and that they might, on account of that, leave the organization. The assured loyalty of the members is an important social asset of the Board.

Because of these seven areas of significance, the multiple-listing system is a basic factor in the analysis of the social power position of the Board.

D. The Cumulative Nature of Social Power

A third basic factor in the analysis of the position of influence of the Grand Rapids Real Estate Board in determining community-wide decisions is the cumulative nature of social power. Although it is conceivable that a social power position could be developed rather rapidly, generally in a community which has been characterized by slow and steady growth patterns, as is the case in Grand Rapids, it will be a crescive thing, the result of a relatively long period of development and legitimation.

This, at least, is an important item in explaining the influence position of the Grand Rapids Board. It has been at

this business of attempting to determine community decisions for a long time. It has along the way developed the techniques, the "know-how," necessary for the establishment and maintenance of a social power position. It has accumulated skills in influencing decisions to be made in the arena of authority as well as in the arena of public elections.

Its power position has developed a charismatic aspect in that there is a tendency on the part of some to look to the Board for advice on a controversial issue, since it has been "right" so many times previously. It has, over the years, built up a network of relationships with those in authority positions and with other groups in the community which serve as social capital to be used when needed in a decision-making process.

Albert Galloway Keller suggested this cumulative aspect of power when he wrote, "If a class gets political power, it can conserve and further realize its mores; and, since it is the powerful who are imitated, can very likely transmit its code to a wider clientage."⁸

⁸ Albert Galloway Keller, Societal Evolution (New York: Macmillan, 1915), p. 86.

William G. Sumner also alluded to this feature, asserting that "Persons who enjoy social preeminence operate suggestion all the time, whether intentionally or unintentionally. Whatever they do is imitated."⁹

In the first place, then, the long developing social power position of the Board has resulted in an accumulation of techniques for the influencing of community decisions. Faced with the problem of convincing the voters one way or another on a controversial issue, the group needs only to refer to the blueprints of previous campaigns, evaluate the results, and design an influence program accordingly.

The Board has learned, for example, not to place great hopes on newspaper support of certain issues. Hence, a projected program for reaching the voters often involves bypassing those media and using instead a direct-mailing approach. Letters are sent directly to each mailing address, or to a list of home owners. Since home ownership in the city is over 60 per cent, and since for years the realtors have identified themselves

⁹ William Graham Sumner, Folkways (Chicago: Ginn, 1906), p. 22.

in the public mind with home owners, this approach has been found to be highly effective.

In several cases, the Board has set up machinery to call every phone number in the telephone book in order to directly reach the voters and present its case.

When faced with an adverse newspaper editorial policy on a particular issue, the Board has taken recourse to large cartoon-type newspaper ads, designed by a specially employed advertising agency. So effective has this technique been that in the case of several issues people actually thought the newspaper policy was reflected in the ads, rather than in the editorial pages. As one advocate of public housing indicated, "Although we had the newspapers behind us, people thought the newspapers were against it because all that they remembered was the full-page cartoons the Real Estate Board ran."

The point here is not merely that people tended to be influenced more by clever ads than by editorials, but that they deduced newspaper policy from the ads. Hence, the Board has learned that it has little to fear from newspaper positions adverse to the stand of the Board. Circumvention techniques are tested and available.

When the Board has found the news columns of the newspapers closed to propaganda releases from the Board on a social issue and has been told that the newspaper will print only those discussions which occur at open meetings, the Board has arranged fictitious meetings and presented the newspapers with releases on what transpired at the "meeting."

Techniques for acquiring the necessary number of names on a petition have been developed over the years, as already indicated. Techniques for "playing" on the dominant value systems of the publics involved in decision-making as they have been developed by the Board are described later in this chapter.

Similarly, when faced with the problem of convincing those in authority positions one way or another on a controversial issue, the Board can simply build on a previously constructed foundation and in accord with a tested blueprint. Over the years the Board has been sensitive to the value of close contact with those in authority.

City, county, and state officials have for years been guests of the Board at the annual Christmas party. New city officials as they appear on the scene are invited to dinner meetings with the whole Board or with the directors. The minutes

of the Board frequently mention luncheon meetings with those in authority "concerning real estate matters," with often the notation that "the officials now better understand the position of the Board." This continuous contact establishes a pattern of relationships which can be effectively utilized by the Board when necessary in the decision-making process.

So, too, the Board has developed techniques for influencing committee hearings, for most effectively indicating its desires through letters, telegrams, and personal visits. In one case the members were directed to write their representatives, but, in this instance, to use plain stationary and not to identify themselves as realtors.

The Board has accumulated skills in knowing the key person or group in authority to contact, and also in sensing the degree of pressure or coerciveness which will be most fruitful on a given issue and at a given time.

This seems to be a modified version of what Keller calls "legislation by clamor." He suggested that those who appeal to reason find themselves disregarded, that "public men seek peace and quiet by sacrificing anyone who cannot or does not

know enough to make a great clamor in order to appease a clamorous faction."¹⁰

Another technique developed over the years is the annual legislative dinner of the Michigan Real Estate Association, held in Lansing. Each Board has as guests at its table at this elaborate affair the legislators from its district. This serves not only to facilitate understanding, but also to give the legislators the impression that the realtors from his district are "part of this large organization," and, therefore, a force to be reckoned with.

These and other techniques, developed over the years and refined by usage, suggest the cumulative aspect of social power and indicate its relationship to a given social power position.

Secondly, the cumulative aspect of social power as a basic factor in explaining the influence position of the Board is indicated by the fact that previous successful participation in the decision-making process gives the group a prestige rating which may be used in subsequent decision processes.

¹⁰ A. G. Keller, op. cit., p. 113.

As several realtors put it, "People are ready to follow the Board's advice on a controversial issue because it has been right so often." Questioning indicated that really all that they meant by "right" was that the position of the Board had won out so frequently in the decision-making arenas. Presumably, such superficial explanations as "nothing succeeds like success" or "the whole world loves a winner" could be adduced for this phenomenon. However, there seems to be a charismatic factor involved, in the sense that Max Weber used the term "charisma," taken from the vocabulary of early Christianity, and actually meaning "gift of grace." He applied the term to a certain quality of a group by virtue of which it is set apart from ordinary groups and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These powers are considered extraordinary, and form one of Weber's bases for leadership or authority.¹¹

In the case of the Real Estate Board, apparently some people feel that it has been endowed in a unique sense with

¹¹ Talcott Parsons (ed.), Max Weber: The Theory of Social and Economic Organization (New York: Oxford University Press, 1947), p. 358.

special gifts for discerning the right side of controversial issues because of its record of success in the decision-making process.

Involved here, also, are certain aspects of what Merton calls the "self-fulfilling prophecy."¹² This he bases on W. I. Thomas' theorem: "If men define situations as real, they are real in their consequences." According to Merton, the self-fulfilling prophecy is, in the beginning, a false definition of the situation evoking a new behavior which makes the false conception come true.

In the case of the Real Estate Board, the Board asserts that its position is "right" and "in accord with the best interests of property owners." This may or may not be true, but it at least evokes behavior at the polls which, as has been indicated, supports the Board's position. Then, in subsequent decisions on controversial issues, the Board can point to its past record of being "right," for, as Merton indicates, the prophet can cite the actual course of events as proof that he was "right" from the very beginning.

¹² Robert K. Merton, Social Theory and Social Structure (Glencoe: Free Press, 1949), p. 181.

In the name of "service to the community," the Board in 1951 fought for rent decontrol, assisted in framing a new city zoning ordinance, and supported the school bond issue. For its success in these endeavors the National Association of Real Estate Boards awarded it a trophy for outstanding civic activity in the nation. The Board sponsored a well-publicized "thank you" dinner for those who made the award possible, including community leaders. The prophecy was fulfilled. The aim was service to the community, and this had been achieved to the extent of receiving national recognition.

This, too, illustrates the stimulative interaction between influence and recognized success. Not only does a position of influence here receive recognition for successful maneuvering, but the recognized success enhances the possibilities for influence in subsequent community decisions. Such is the cumulative nature of social power.

Thirdly, social power may be said to have a cumulative aspect to it in the sense that those who are concerned with getting a decision made will tend to consult a group known to have been effective in shaping past decisions. For example, if school officials are desirous of getting public approval of a bond issue,

and if they are aware of the influence exerted by the Real Estate Board in previous decision processes, the likelihood is that the school officials will consult with the Board concerning the amount of the bond issue, the length of the bond issue, the purposes for which it shall be used, and in what form and under what conditions will the Board lend its support to the venture.

Similarly, when the city officials are concerned about a new zoning code and desire to implement a new one with the minimum of friction, the tendency will be to confer with the groups which have been most successful in influencing community decisions.

These consulting and conferring processes open up new areas in which the group involved can influence community decisions, and the process is carried on in its own back yard. Instead of having to go to the voters or having to assert itself in the arena of authority on given issues, those in authority positions or those seeking a public decision in such instances come to the Board with their problems. In these cases, the Board is not only involved in decision-making in its very early stages, but is spared the expense of campaigns before the voters or delegations, telegrams and dinners for authorities. Furthermore,

the influence is exerted in a nonpublic manner so that the risk of arousing negative community reaction, which so frequently is the response to a position of social power, is minimized.

Hence, a previous pattern of success in the decision process provides the basis for maintaining and extending the social power position. This cumulative aspect of social power is an important factor in understanding the position of influence of the Grand Rapids Real Estate Board.

E. Possession of Knowledge as a Social Power Factor

A fourth basic factor in the analysis of the social power position of the Real Estate Board is its possession of knowledge and technical information in certain strategic areas in the decision-making process. Because of the nature of the real estate business, realtors are inevitably and uniquely equipped with knowledge concerning taxation, assessments, city planning, zoning, housing, residential segregation, industrial and commercial relocations, and the like.

Since the property tax is the primary source of income for the support of municipal functions, and since any enrichment or extension of city and school services involves, generally, a

shift in the property tax rate, extensive knowledge in the area of taxation such as the Board possesses, places the group in a crucial position for influencing a whole array of allied community decisions. Influencing decisions on tax rates means influencing thereby a much larger area of community activity.

Realizing the importance of a low property tax rate for making real estate an attractive investment, for encouraging migration of businesses, industries, and families to the city, for stimulating new residential developments, the Board has throughout its history fought for such a low property tax. As indicated in Chapter II, the Board practically singlehandedly induced a decision to apply a fifteen-mill limit on taxes. It has also spearheaded repeated campaigns to maintain the limitation when it was threatened by city and school officials who were faced with problems of expanding services, or maintaining services in the face of rising costs, or replacing antiquated municipal and school structures. In a large sense, by controlling the tax rate the Board controlled the entire pattern of city and school services over the years.

The success achieved by the Board in keeping real estate taxes down is indicated by the fact that in 1951 Grand Rapids'

taxes on real estate stood well below the national average paid in cities of 30,000 population or more, according to figures released by the National Municipal League. For comparison purposes, the league converted all tax figures to compare with current property values. On this converted basis Grand Rapids paid \$9.52 for each \$1,000 of current property values, while the national rate was \$23.65. In cities of Grand Rapids' class, 100,000 to 250,000 population, the average rate was \$23.47.¹³

The point here is that this successful influencing of community decisions on property taxes, with all the concomitant effects, was partially due to the knowledge of tax matters possessed by the Board. Because the Board realized the importance of tax matters for the real estate business, it developed a familiarity in this area--a degree of competence in taxation matters not paralleled by other organized groups in the community.

When faced with a social issue in any way concerning taxes, it could use this fund of knowledge in any way it chose to do, at times even as the basis for symbol manipulation. When

¹³ The Grand Rapids Press, February 27, 1952, p. 38.

the Board opposed a millage increase for school buildings, it told the public that the increase would threaten home ownership and that home ownership is one of the basic items in the American way of life. When the Board several years later favored an even larger millage increase for schools, it told the public that the increase would amount to only a few cents a day, and that schools are important in our society.

Knowledge of tax matters, then, combined with the fact that the public is made aware of this Board knowledge and accepts its pronouncements as being sound, is an important item in understanding the power position of the Board.

The Board also has extensive knowledge of zoning regulations, the impact that zoning controls have on orderly community development, and the need for changes in zoning laws from time to time. Again, no organized group in the community has a clearer conception of the importance and problems of zoning. Hence, when the city planning department was faced with the problem of devising a new city-wide zoning code the Real Estate Board was asked to appoint a committee of its members to work with the planning department. As the city planner said, "Realtors were chosen because it was felt they were thoroughly

familiar with the various sections of the city and have the proper background and experience to advise the city planning department wisely."

The new ordinance was drawn up in relation to the overall master plan to direct the outward growth of the city and to redevelop and rehabilitate certain areas in the city. The extensiveness of the new code is also indicated by the fact that the realtors met weekly for six months with the city planners in its design. The opportunity and ability to influence the construction of such a zoning ordinance with such far-reaching consequences for the future growth, development, and rehabilitation of the community indicates another facet of the social power position of the Board.

Because of the fund of knowledge the realtors brought to the zoning project, opposition points of view at the public hearings on the new ordinance were effectively answered, and the code was adopted with practically no residual protests. There was the feeling that this was not the product of idealistic city planners, but that the facts were there to justify the changes.

Here again, the knowledge and technical information of the Board served as a basis for its position of influence in community decisions.

The income of a city is not only related to the tax rate on property, but also to the assessed value of the property to which the tax rate applies. There may be two similar pieces of property and a uniform tax rate, but if one piece of property has an assessed valuation higher than the other, the actual amount of taxes paid will be higher. So total tax income in the city is related to the level at which properties are assessed.

In this matter of assessments, too, the Real Estate Board has knowledge beyond that of other organized groups. One of the achievements for which the Grand Rapids Board was cited when it received the national award from the National Association of Real Estate Boards for outstanding service to the community was the assistance given by it to the city government in its land value survey in preparing for scientific reassessment of the entire city. During the reassessment process the city assessor, instead of calling in an outside firm to do the work, employed realtors on a per diem basis to do the actual field work.

Again, the Board's technical information provided the basis for a position of influence on matters of community-wide concern.

At times, the Board is able to influence decisions simply because it has the only opinion in an unstructured situation. This is true in the arena of public elections when a public matter has not developed strong alignments and voters are not much concerned as to how the matter is decided. In such a case, a publicized stand by the Board focuses attention and serves as possibly the only guide for decision. This is more true in the arena of authority when officials are faced with the necessity of deciding a matter which has not developed structured public reactions. Here a well-worked-out and strongly supported recommendation by the Board will go a long way in determining the decision.

Given the Board's organizational structure, as previously described, with its legislative and other committees designed to keep the Board informed on decisions pending in the authority arena, it is understandable that the Board is prepared to present an opinion in such unstructured situations. As one legislator told a committee of realtors, "We know that when you people

come to us you will have the facts and know what you are talking about."

This utilization of knowledge to support the social power position of the Board is related to its affiliation with state and national real estate groups. The knowledge possessed by the group is supplemented by research staffs of these larger organizations, and through them information is available from all of the individual boards throughout the country.

The national organization operates the seventh-ranking lobby in Washington in terms of expenditures, serves as a legislative watchdog, effects liaison with governmental agencies, makes congressional contacts, and conducts continuous study of legislative proposals affecting real estate. Since all of its findings are available to the local Board, this constitutes an important technical resource.

The Michigan Real Estate Association does much the same thing, and issues a weekly legislative bulletin to the local boards. Hence, the flow of information is extensive and provides the Board with knowledge it can use in its attempts to influence community decisions. Included here is knowledge concerning useful techniques

in the decision process, as well as knowledge concerning specific issues.

An example of how the National Association serves the local Board with both kinds of knowledge is the clinic on public housing sponsored by the national group. This was a three-day affair and each Board was to send one representative who was to be trained intensively in all of the arguments against public housing and also in the best techniques to use against public housing campaigns on the local level. Included were such detailed techniques as gestures, breathing, and enunciation in speaking, the kinds of illustrations to use, and where to place the emphasis. These representatives, in turn, were not only to play key roles in decision-making in their communities, but were to indoctrinate their colleagues in the same information and techniques.

Simmel, in his discussion of the reciprocal relationship between superordination and subordination, emphasizes this significance of knowledge in the power process. He asserts that subordinates can, with information, control superordinates.

This sociological process occurs in bureaucratic hierarchies, where the superior is technically dependent upon the subaltern. The higher official often lacks the

knowledge of technical details or of the actual objective situation. The lower official usually moves in the same circle of tasks during all his life and thus gains a specialized knowledge of his narrow field that the higher official does not possess.

All social formations thus involve this contradiction between the just claim to a superordinate position and the technical impossibility of satisfying this claim.¹⁴

Possession of technical information, then, is a basic factor in the analysis of the social power position, serving to explain, to an extent, the success of the Board as an influential in the decision process in the community.

F. Identification with the Community Value Systems

A fifth factor of significance in analyzing the social power position of the Real Estate Board is its awareness of, its sensitivity to, and its identification with the value systems of the community.

The nature of the real estate business is such as to develop a keen awareness in the realtors of the value systems of the community. No other group has such intimate contact with

¹⁴ Kurt Wolff (ed.), The Sociology of Georg Simmel (Glencoe, Illinois: Free Press, 1950), pp. 290, 302.

people from all classes and segments of the community. Buying a home or other property is in a real sense different than buying a spool of thread, or a fur coat, or a piece of furniture, or subscribing to a daily newspaper. The buying of property involves frequent contacts with the realtor, involves the exchange of considerable data, and involves the discussion of preferences and social values. By the time the deal is completed, buyer and realtor, and seller and realtor, have come to know each other in a sense that is not true of other business transactions as a whole.

Further, this close contact covers all segments of the community. Today the realtor is selling a \$40,000 home, and tomorrow he sells a \$4,000 home. Today he is dealing with property in the gold-coast section, and tomorrow he sells a home in a blighted area. He sells property to Negroes and Mexicans as well as to whites, to Poles and Dutch and Italians as well as to those of English descent.

All of this provides both the individual realtor and, to an even greater extent, the Real Estate Board, with a sense of awareness of the value systems of the community, as well as those of the constituent publics.

The importance of this is seen in sharper focus when a comparison is made between the Board and some of its opponents in the influence process in the community, such as the newspapers, the board of education, the city commission, and the Chamber of Commerce. None of these others is so strategically situated for the development of awareness of value systems as is the Board.

For example, few members of the Chamber of Commerce come into contact at all with the customer. This is especially true of those who are chosen to the board of directors, generally the most prominent businessmen in the community. What contact there is with customers is on a momentary basis, or, in the case of many businesses, on a selective basis, so that no general awareness of values results.

There is practically no interaction between the newspaper publishers or editors and newspaper readers. This is similarly true for the board of education and the city commission and for the other groups involved in community decision-making. The Board has a definite advantage in the process of knowing what people think, their fears and hopes, the things they esteem, and the things they disesteem.

Secondly, because of the nature of the real estate business and the resultant close contact with customers from all community groups, the Board, through its members, develops a sensitivity to the values of the groups.

Realtors do not depend on volumes of sales, as is the case with many business enterprises, but place great emphasis on each individual transaction and work hard at it. It is important that obstacles in the realtor-customer relationship be kept at a minimum. Hence, the realtor must not only be aware of value systems, but also be sensitive to them.

When a stand of the Board harmonizes with the value system of the customer, it becomes a positive factor in the business relationship. On the other hand, when the Board's involvement in the decision-making process does not "tune in with" the prejudices and preferences of the customer, it becomes a barrier to the transaction.

Several members of the Board frankly indicated that they favored the school bond issue because they had lost too many sales when the Board previously had actively opposed a millage increase for new schools. "My customers blamed me because their children were attending school in antiquated buildings or



on a half-day schedule," one of them said, "and I know it hurt my business."

This sensitivity to value systems was also one of the factors back of the shift in the organizational structure to provide for compulsory retirement of directors after a three-year term. Previously, the older members remained in office year after year, and their orientation to social change was mostly negative. Some of the members felt that this "negativism" was hurting their business because the public was beginning to view the Board as an obstructionist group.

It was because of this sensitivity to value systems that the Board had mixed feelings when one of its prominent members became an active member of the city commission. On the one hand, there was the satisfaction of knowing that one of its members was strategically located for the decision-making process. On the other hand, there was the fear that public resistance would develop. As one member stated it, "The Board is already accused of running the city hall. Now the protests will increase."

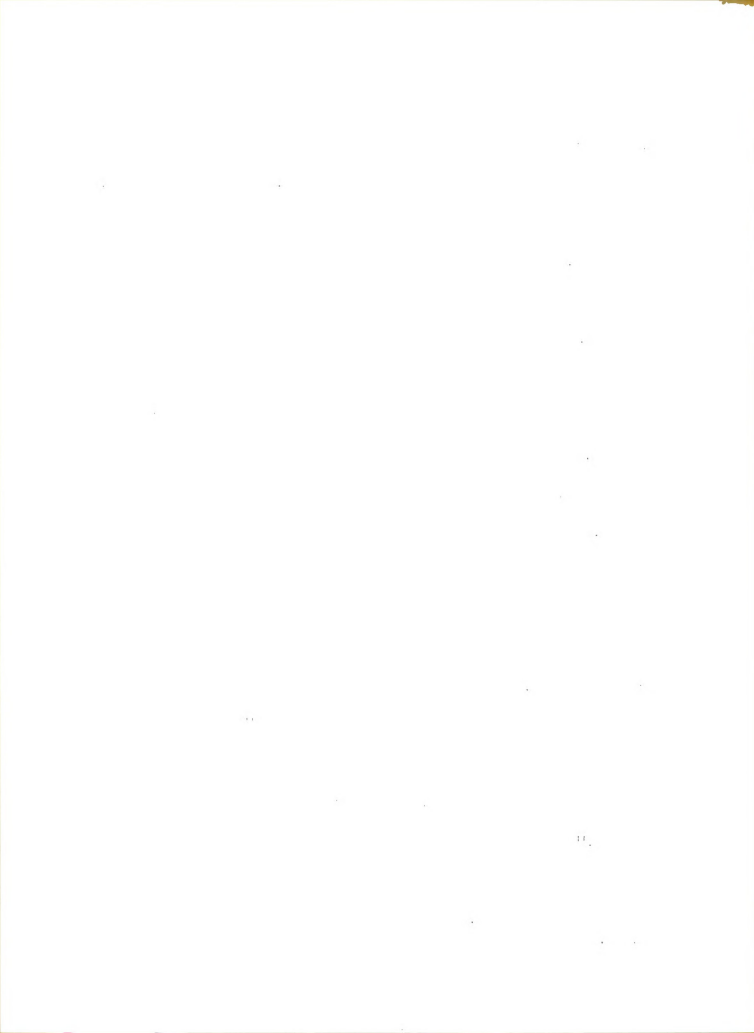
It is to be noted that this sensitivity can be, and is, used in a positive sense in the decision-making process in that

the Board, having its finger on the public pulse, can feel the kinds of stands that the public will support. This, to an extent, explains the success pattern of the Board in guiding community decisions. However, it is also important that this sensitivity to group value systems acts as a check on the social power position. Points are reached beyond which the Board dares not go because the finger on the pulse indicates that public reaction would interfere with the business possibilities of the individual realtor. This is one of the few limits to the social power position which has been discovered in the study of the Grand Rapids Board.

Thirdly, the social power position of the Board is not only related to the awareness of, and the sensitivity to, community value systems, but also to its identification with these value patterns.

Sumner indicated many years ago that "suggestion is easy when it falls in with popular ideas, the pet notions of people, the popular commonplaces, and the current habits of thought and feeling."¹⁵ The Real Estate Board is not only in a strategic

¹⁵ William G. Sumner, Folkways (Chicago: Ginn, 1906), p. 22.



position to know these 'pet notions' and the like, as indicated above, but has constantly been concerned with the matter of identifying itself and its policies with these 'current habits of thought and feeling,' and thus legitimizing its position of influence.

One of the esteemed values in the community is home ownership. In 1951 it was reported that Grand Rapids was one of the two leading cities in the country as to home ownership, that the percentage of owner-occupied houses had increased from 52 per cent in 1940 to 70 per cent in 1951.¹⁶ Throughout its history the Board has strongly identified itself with the interests of property owners. As was mentioned in Chapter II, the Board for many years included property owners in its membership, and until several years ago, named an equal number of realtors and property owners to its board of directors.

It thus established itself as the voice of property owners in the community. In its public utterances it speaks for property owners, and the latter have looked to the Board to fight their battles. That this is so follows quite naturally from the

¹⁶ The Grand Rapids Press, September 8, 1951, p. 54.

fact that people associate realtors with homes, and that most home owners got to be such through the efforts of a realtor. Further, the buying of a home involves a trust relationship with the realtor. The buyer, to an extent, depends on the good judgment of the realtor. It is inevitable that there should be some carry-over to trusting the good judgment of realtors in social issues related to the interests of home owners.

In Chapter IV it was observed that when the Board decided to favor a tax increase for new schools, a prominent citizen pleaded with the Board to oppose the increase as it had done before, contending that "it is to your group that the real estate owners of the city will look for leadership." Not only, then, is there an identification with property owners on the part of the Board, but also an acceptance by the property owners of the Board as its spokesman. As Everett Hughes found in Chicago, "both the taxpayer and the tax eater were forced to recognize the Real Estate Board."¹⁷

This feeling of identity of interests is stimulated in a number of ways. One technique is the practice of a number of

¹⁷ Everett C. Hughes, op. cit., p. 45.

realtors of sending birthday cards to clients on the anniversary of the purchase of the home. The attractive card brings greetings to the property owner on the first anniversary in his new home, and also on subsequent anniversaries. On receiving such a card on the fifth anniversary, one property owner commented, "Isn't that thoughtful. They are not just interested in making a sale, but stay interested in you. Just look, it's been five years." It is to be expected that when, in the next involvement in a social issue, the realtor group advises or warns property owners to vote one way or another, or to write to their congressman, that there is a state of readiness to comply.

Because of this dual process of identification and acceptance, the Board can and does effectively relate its stand on a community issue to the property owner theme. When it opposes public housing, the legitimation involves not such arguments as relate to the threat it constitutes to the real estate business, but assertions that it is a threat to home ownership. Public housing is said not only to encourage tenancy rather than ownership, but also that increased taxes to finance it would threaten the ability of a home owner to keep his home. One member said, "We were opposed to public housing because we felt that

it would hurt our pocketbooks, but we talked tax threat to home ownership to the people."

Such campaign slogans as these were used: "Do you want a housing project next to your home? Then vote no." "Do you want to pay still more taxes? Then vote no." "Do you want to see widows and old folks lose their homes? Then vote no." "Do you want your home torn down for a housing project? Then vote no." "The American way of life is based on home ownership. Don't lose it. Vote no." All of these have strong appeal, given the esteem in which home ownership is held in the value system of the community.

Similarly, when the Board takes a stand on tax matters, with all of the concomitant implications for other community decisions, the legitimation is largely in terms of home ownership. Its fight for the fifteen-mill tax limitation and its repeated defense of the limitation, its opposition to temporary increases for schools or city improvements, are legitimized in terms of the home ownership value. If the Board is opposed to the suggested change, it tells the public that the proposal will involve a tax increase which is a threat to property ownership.

When the Board shifted its stand and favored a tax increase for schools in 1951, the legitimation was still in terms of home ownership and property values. In its public statements the Board reminded the people that "the protection of home owners and taxpayers has always been foremost with the Real Estate Board," and that the suggested increase is "best for the home owner and taxpayer." The point made was that antiquated and crowded school buildings "hold back a community and affect property values." Although the tax increase was to cover twenty years and was greater than that proposed several years previously, which the Board vigorously opposed because the higher taxes would imperil home ownership, the Board in 1951 allayed the fears of property owners by telling them that for the "average home owner the increase would amount to less than one cent a day."

A significant factor in the analysis of the influence position of the Board, then, is this identification of the Board with the esteemed value in the community of home ownership.

The public relations program of the Board is also designed to identify it with the community value system. A recent series of newspaper advertisements was aimed at stimulating local

pride by emphasizing community assets, such as the many churches, the fine public buildings, the excellent park system, and the like. Each advertisement ended with the statement, "Realtors who daily extol the advantages of living in Grand Rapids constitute one of the strongest promotional influences in the community." This not only associates the Board with the good things in the community, but emphasizes the positive, the "promotional" as it is called, and is designed to offset the criticisms that the Board is always negative.

The Board emphasizes that it is a nonprofit group, organized to serve the community, that the multiple-listing and photo-listing systems were adopted so that customers would get better results in buying and selling property. A large campaign poster against public housing stressed that the Board promotes home ownership, maintains a permanent scholarship in real estate at Michigan State College, sponsors University of Michigan extension courses in real estate subjects, promotes Constitution Day essay contests, and takes action on city, state, and national levels on issues affecting property owners.

The Constitution Day essay contest, sponsored annually by the Board and widely publicized, is open to high school

students in the area, and is designed to promote the American way of life. Publicity is sent to all of the schools, asking them to encourage their students to participate. Three Circuit Court judges act as judges of the essays. Prizes are given, and parents and teachers of the winning students, along with the students, are feted at a dinner and large public meeting. The "main speaker," to use the Board's terminology, at the meeting last year was the president of the National Association of Real Estate Boards.

Because of the expense and planning time involved, the Board considered dropping the essay contest last year, but members protested that it was worth the time and effort and expense because "it is one of the best public relations devices we have."

The Board's repeated stands against higher taxes "tunes in to" the community value system in a broader sense, too, than merely the appeal to property owners indicated earlier. Non-property owners also are generally opposed to higher taxes, and will feel favorably toward a group which is fighting for lower taxes. This, even though low property taxes frequently mean increases in indirect taxes. Taxes having a negative value, the group fighting taxes is viewed with positive affect. Although

inadequacy of city and school services could conceivably backfire on the group responsible for the low taxes, diversion channels for the negative affect can be opened up by charging city and school officials with unwise use of the "adequate" funds available.

The fact that the Board has in most instances taken a negative stand on social issues also, in a sense, fits the community value system. That this has limitations and that the Board has been aware of the detrimental effects of a repeated negativism has already been indicated. However, getting people to accept something new or different involves overcoming an inertia which has long been the bane of advocates of social change. This conservatism is particularly observable in communities where growth patterns have been slow and changes few. That Grand Rapids is that kind of community has already been demonstrated. In fact, the citizens generally speak with pride of the conservative nature of the community. At times there is a hesitancy to admit to the conservatism and to speak rather of a "solid citizenry who do not go for every new wrinkle." That criticisms are also heard of the conservatism of the city only serves to establish the fact of it.

In such a community setting, with resistance to change a part of the value system, a group which advises a negative vote on social issues has a head start. Frequently in interviews with people in leadership positions as to the reasons why the Real Estate Board has been so successful in influencing decisions, the answer was to the effect that the Board generally opposed change and that this approach had appeal in a conservative community.

Sumner discusses the function of conservatism, and distinguishes between the conservatism of the "masses," which he says is due to inertia in that change is irksome and disturbs the routine, and that of the "classes" or leaders, which is produced by interests who maintain social power by resisting change.¹⁸ It is the former type which is of concern here.

Although this negative-conservative factor is undoubtedly important in the analysis of the social power position of the Board, it is not the only factor, nor is it of the importance suggested by some in the community. This is indicated by the large number of other operative factors which have been

¹⁸ Sumner, op. cit., p. 45.

delineated, and also by the fact that the Board has also been successful in influencing decisions calling for an affirmative vote, as for example in the 1951 school bond issue.

The Board's awareness of the value systems of the community, along with its sensitivity to them and its identification with them, then, is an important factor in the understanding of its position of influence in the social issues of the community.

G. Realtors in Authority Positions

A sixth factor in the social power position of the Real Estate Board is the direct participation of realtors in the arena of authority through the elective and appointive positions held by individual members.

In such cases, there is a confluence of the two aspects of social power--influence and authority--which were distinguished earlier. It may be recalled that influence refers to the act of, or potential for, producing an effect in the determination of decisions without apparent force or direct authority. By authority is meant the prerogative, or precedence by virtue of holding an office, to engage in the decision process. Further, it has been noted that the influencing of community-wide

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decisions by an influential group may occur both in the arena of authority, such as in city commission chambers or in legislative halls, or in the arena of public elections.

The realtor-legislator is as a realtor a member of a group having influence, and as a legislator, is a member of a group having authority. This is similarly true of realtor-commissioner and realtor-supervisor combinations. In such situations the interaction between the two facets of social power becomes extremely close, and at times it is difficult to discern to what extent the influence structure is acting in the arena of authority, or to what extent the authority structure is used to advance or retard the cause of the influence structure.

For example, a recent bill was introduced in the Michigan legislature by three realtor-legislators which would give realtors the right to perform certain functions regarding transfer of real estate which were formerly performed by lawyers. Although it is highly probable that this is a case of influence in the authority arena, this cannot be easily concluded because of the dual roles played by the individuals involved.

This disentanglement problem is made more difficult by the fact that a comparatively large number of legislators is also



realtors. Two of the three representatives at Lansing from Grand Rapids are realtors. After farmers and lawyers, the third largest group in the state legislature is made up of real estate and insurance men.¹⁹

It would be clearly a case of influence in the authority arena if the Michigan Real Estate Association or an individual local board had taken a position and decided to attempt to get a legislative decision by asking certain realtor-legislators to introduce the bill and defend it. However, such a position could be taken "informally" by the real estate group so that public awareness and possible public hostility would not be aroused. In such cases the actual influence role of the group would be camouflaged, and one would be left with mere suspicions that when a realtor-legislator pushes a bill affecting his group, there must be influence somewhere.

However, this study is not concerned with attempting to precipitate out of the total social power process all cases of influence as distinguished from cases of authority. Rather, the point here is that the holding of authority positions by realtors

¹⁹ Grand Rapids Shopping News, March 5, 1951, p. 1.

opens up additional possibilities and unique channels for the exercise of influence, and hence, is of significance in the analysis of the social power position of the Board.

The extensive membership of realtors in the state legislature has already been indicated. For at least the last six years, two of the three representatives from Grand Rapids have been members of the Real Estate Board. This not only provides the Board with direct access to the legislature for the implementation of decisions in that arena of authority, but also provides the Board with observation posts so that impending decisions which affect its interests can be immediately brought to its attention. Committee appointments of the Board are such as to make use of the knowledge which these members have because of their authority positions.

It is also possible that the prestige and publicity attached to the legislative function reflects prestige on the Real Estate Board, especially since with the multiple-listing system, the realtor and the Board are so frequently thought of together. This ex officio prestige also reflects favorably on the realtor-legislator himself. One of them was asked why, since he had an extensive business which was one of the three largest in the Grand Rapids

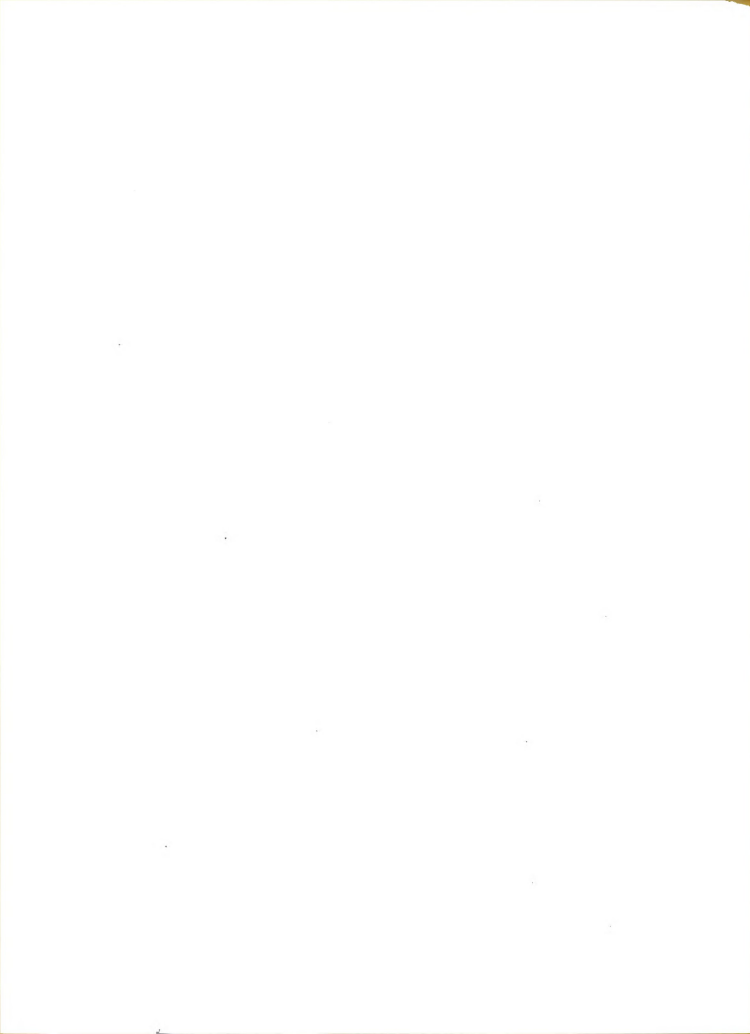
Board, he was interested in being a legislator. His reply was, "It means hundreds of sales for me because of the free advertising I get. My name is before the public continually." As Mosca contended, "Wealth produces political power just as political power produces wealth."²⁰

Grand Rapids realtors are found in other authority positions also. A number of them are members of the county board of supervisors. They are frequently appointed to official boards of the city, such as the board of tax review, the planning commission, the board of zoning appeals, and the like. It has already been observed that they are widely used on consultant committees which serve the city commission with advice. The 1952 president of the Board is a veteran and important member of the seven-man city commission. He has repeatedly been named president of the commission and chairman of the committee of the whole. He is chairman of the service and safety committees, which rank second and third after the finance committee in importance. He is a member of the planning commission and the recreation board.

²⁰ Mosca, op. cit., p. 57.

This identification in the public mind of realtors with authority positions having the legal prerogative for making community decisions conceivably carries over to decisions made by the Board affecting the community so that there is a state of readiness on the part of at least some people to accept such influence decisions just as they accept the authority decisions. This is especially true since the public is constantly reminded that the authority-realtors are realtors through identification of occupation in news stories, as well as through real estate advertisements, and through the "for sale" signs scattered throughout the community which bear the realtor's name.

For example, on Monday the commissioner-realtor announces that the city commission has decided a certain way on a certain issue. On Tuesday, as president of the Board, the same commissioner-realtor announces that the Board has decided a certain way on a certain issue. Because the public must accept the Monday authority decision since there is legal prerogative to make decisions binding on the public, there will be a tendency to accept the Tuesday influence decision also. This may be either because of the identification of the commissioner-realtor with the authority structure, or, when the two roles are



distinguished, because there is a feeling that the Board can be depended on to make wise decisions because it has members who are skilled in making decisions in the authority arena.

That this process also has a negative aspect has been indicated previously and must be emphasized at this point. It will be discussed in Chapter VI in connection with legitimation.

The direct participation of realtors in the arena of authority, then, is important for understanding the social power position of the Board. This participation opens up a two-way channel between the Board and the authority arenas for the effectuation of influence decisions, as well as creating a state of readiness in the public for acceptance of the Board's decisions, both because of the identification of authority and realtor roles and because the Board is felt to have the resources of those practiced in authority decisions at its disposal.

H. The Board and the Newspapers

A final factor of significance in the analysis of the Real Estate Board as a system of influence in the community concerns the Board's relationships with the mass media of communication, particular with the daily newspapers.

The study of factors operative in the deciding of controversial social issues in the community indicated that in repeated instances the Board found its position opposed by the daily newspapers. This opposition was clear cut in that editorial stands openly advised against the position taken by the Board. This was true in both public housing elections, in several tax millage increase fights, and in one of the school bond issue campaigns, among others.

In every case where the announced stand of the Board conflicted with the editorial stand of the newspapers, the Board has been successful in winning public support for its position. That the newspapers are aware of this Board influence is apparent from an editorial which appeared after a proposed tax increase for school and city needs, supported by the papers and opposed by the Board, was defeated several years ago.

We know from what has happened in the past that it is almost essential that any proposal to undertake a civic and school expansion program have the Real Estate Board's support if it is to succeed. It is to be hoped, therefore, that the Board's general membership will in the future approach the issue with openmindedness . . . and that they will agree on a program calculated to restore city and school services to a desirable standard.²¹

²¹ The Grand Rapids Press, December 4, 1947, p. 12.

The reason for the ineffectiveness of newspaper editorial policy in shaping community decisions when opposed by the Real Estate Board is not due to the fact that the newspapers are weak and struggling organizations. On the contrary, both morning and afternoon dailies are rooted in the history of the community, have grown up with it, and are well supported by both advertisers and subscribers.

The afternoon paper, The Grand Rapids Press, is the largest and most important newspaper, daily or weekly, in the community as well as in western Michigan. A Booth paper, it is one of a chain of nine throughout the state, and has a daily paid circulation of 107,500. It daily enters 93 per cent of the homes in the metropolitan area and 97 per cent of the homes in the city, according to the Audit Bureau of Circulation which provides an objective report on circulations.²²

The Press has frequently spearheaded successful campaigns on community issues when not opposed by the Real Estate Board, including a recall movement several years ago which resulted in the removal of five members of the city commission,

²² Audit Bureau of Circulation statement, March, 1951.

including a mayor who had served the city for decades. The paper admits that it has, and the community considers that it has, the same political preference as that demonstrated, with only one exception by the community in elections over the years.

All of this considered, why is it that the Board has been successful in winning public support, rather than the newspapers, in the decision-making process?

A study of the history of the relationship between the Board and the newspapers indicates a rather clear pattern of conflict. In March, 1916, the Board criticized the newspapers for accepting some advertising copy that was detrimental to the interests of the Board. What the nature of the advertising was or what the real estate interests were that were jeopardized was not indicated. A committee was appointed to interview the newspaper, and reported back that the Press had assured it that "in the future advertisements objectionable to the Board would not appear."

In November of the same year the Board complained about the advertising rates in the Press. There was unanimous agreement that the rates were too high, but there were differences as to the best method to "bring pressure to bear" on the

paper. Probably impressed by its success in influencing the paper several months before, the Board, by unanimous standing vote, decided to have a committee study the pro-rata circulation basis on which the paper formed its advertising rates, to take the matter up with officials of the paper, with full power to act in bringing pressure to bear on the paper, and that in case of resistance, whatever "method of pressure seemed advisable and justifiable would have the sanction and full cooperation of the Real Estate Board collectively and individually."

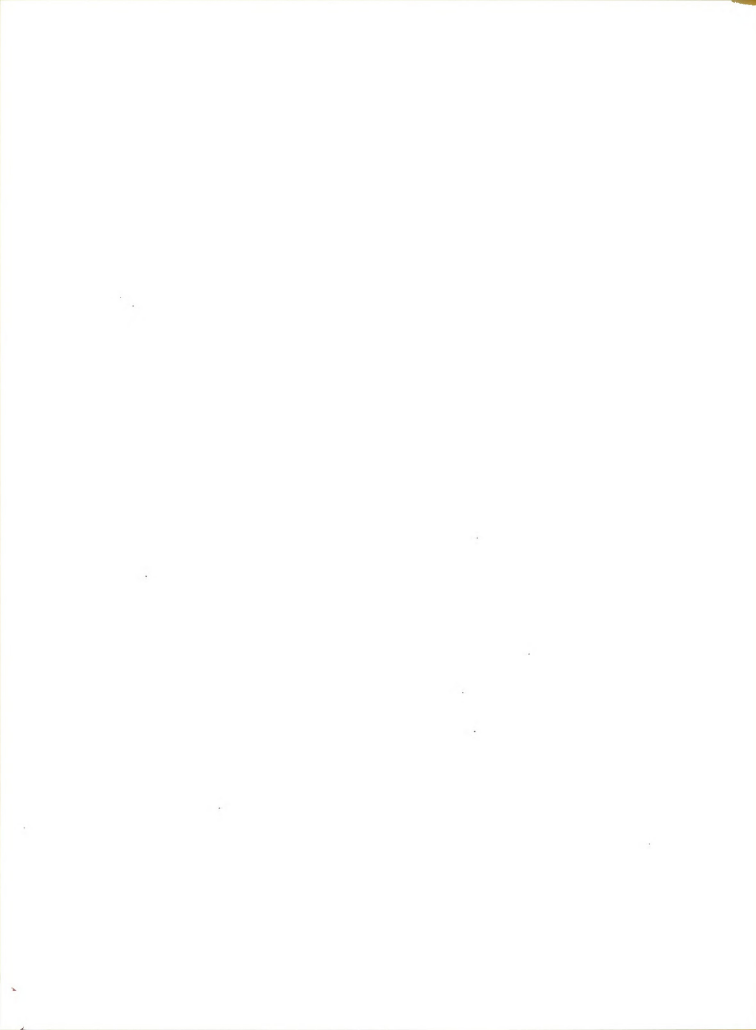
In March, 1917, the committee reported that other Michigan cities of size had no lower rates than charged by the Press. However, it was decided to have the members insist on a uniform March 1 expiration and renewal date for all advertising contracts of individual realtors with the paper. The context indicates that this was obviously a pressure technique of the collective bargaining variety. The Board did little advertising, but the advertising of individual realtors amounted to a considerable item. However, since the advertising contracts expired at different times the paper dealt with each realtor individually. A uniform renewal date was apparently viewed as one of those "methods to bring pressure to bear" that the Board had sought.



In April, 1920, the Board entered into an agreement with the Grand Rapids News, whereby in return for a pledge of a certain amount of advertising per year the paper agreed "in the news and editorial columns, to cooperate in a constant and active manner with the real estate interests of Grand Rapids."

At the annual banquet of the Board in May, 1926, there was placed at each plate a copy of a large display advertisement run by the Real Estate Board in the Press, together with a clipping of a news item which appeared in the same issue. The caption on the news item indicated that a confessed pick-pocket was a realtor. The story told of a realtor who collected \$100,000 as a pickpocket and then invested it in real estate. It was moved and supported to immediately stop all advertising with the Press. However, the final decision was to give the president power to act. No results of the action were indicated in the Board minutes.

Throughout its history the Board has attempted to coerce the Press through threats of advertising retaliation. The more recent history does not indicate this same pattern, undoubtedly due to the fact that the paper has become so firmly established in subscriptions and advertising that threats of advertising



withdrawal are not felt to be realistic. With a circulation almost double that of the second daily, and having captured almost 80 per cent of the want ad market, the Press feels, as cited by its classified advertising manager, that any retaliation in advertising would hurt the Board more than it would the paper.

As a result, the Press today makes no promise that advertisements or news stories objectionable to the Board will not appear, and, in fact, they do appear. Individual advertising contracts of realtors do not all expire at the same time today. The one concession the Press still does make is the policy of not accepting real estate advertisements which read "Deal with the owner and save the commission," nor even "Deal with the owner." The advertisement may simply say "owner." The basis for this policy is that such ads imply "Do not buy through a realtor," and that the Press does not accept advertisements which are "offensive to any group." When it was suggested to the advertising manager that all advertisements have that implicit aspect to them, he reluctantly agreed, but felt that they were not considered to be offensive by the group involved.

The Board carefully watches for any single deviation from this policy and brings it immediately to the attention of the paper. Apologies and reaffirmations of the policy follow.

In one other way, too, the Press avoids offending the Board. The Press frequently advertises the effectiveness of its want ads by citing such a case as "Mrs. Jones had twelve calls and sold her washing machine within an hour after the want ad appeared in the paper," and the like. Although these advertisements include almost every conceivable article, they do not include private sales of real estate, according to the advertising manager, because they would offend the Real Estate Board. Since the advertising of other commodities presumably would be offensive to other commercial groups, this differential policy undoubtedly reflects the organizational structure and vigilance of the Board.

The Press was alert to the fact that should the Board ever cancel its advertising program, resort could be made to that type of advertising. This factor is undoubtedly of importance in the social power process.

The Board, then, in spite of its efforts, has not been able to win nor force the newspapers into accordance with its



position. An effective resource in the influence process has thus been unavailable to the Board, and, in fact, has actually been an opposition factor on many decisions.

The handling of this opposition factor is a crucial item in the understanding of the success of the Board in influencing community decisions. In the first place, the Board continues to seek newspaper support on an issue, even though the paper has opposed the stand of the Board previously, in the hopes that the editor will change his mind. A delegation will call on the managing editor and remind him of the advertising factor, for whatever it is worth. It will also remind the editor of previous community support enjoyed by the Board and warn him that the opposition stand was unsuccessful previously and will be again. It should be indicated that, although there is no evidence of the newspaper changing its mind because of this, the paper has supported the Board on a number of social issues.

Failing at this level, the second step involves designing a program to reach the voters through other media, and thus neutralize the editorial opposition. Included in this program are such techniques as direct letters to the voters, telephone calls covering completely or partially the listed numbers in the



telephone book, pamphlets and circulars distributed to the homes, increasing the use of radio advertising, sound trucks, speeches by members to group meetings, and the like.

The viewpoint of the Board has also been carried to smaller groups in the community through the individual realtors who hold membership in these smaller groups. Paul Lazarsfeld has described the effectiveness of this procedure in the decision-making process, especially as an alternative technique to use of the mass media. In his study of how a voter makes up his mind in a presidential campaign, he found that the common assumption that individuals obtain their information directly from newspapers, radio, and other media was not well founded. Rather, the majority of people acquired much of their information and many of their ideas through personal contacts with the opinion leaders in their groups. He concluded:

More people put reliance upon their personal contacts to help them pick out the arguments which are relevant for their own good in political affairs than they do in the more remote and impersonal newspaper and radio. The doubtful voter may feel that the evaluations he reads or hears in a broadcast are plausible, for the expert writer can probably spell out the consequences of voting more clearly than the average citizen. But the voter still wonders whether these are the issues which are really going to affect his own future welfare. Perhaps these sources see the problem from a viewpoint entirely different from

his own. But he can trust the judgment and evaluation of the respected people among his associates. Most of them are people with the same status and interests as himself. Their attitudes are more relevant for him than the judgments of an unknown editorial writer. In a formal communication the content can be at its best; but in a face to face contact the transference is most readily achieved.²³

A third factor in this process of handling opposition in the social power struggle involves the technique for beating the newspapers with their own weapon. The Board can and does use the same newspapers which oppose it editorially, to influence decisions in accord with its position. For one thing, the newspapers will accept news stories from the Board on the controversial issue. In addition, and probably more important, the advertising columns are open to the Board. Large, cleverly designed advertisements, planned by a professional advertising concern, including cartoons and catchy phrases, will gain reader attention for the Board's message. As indicated previously, in a number of cases people imputed Press policy from advertisements the Real Estate Board ran in the Press, rather than from the editorial statements concerning the policy.

²³ Paul F. Lazarsfeld, et al., The People's Choice: How the Voter Makes Up His Mind in a Presidential Campaign (New York: Columbia University Press, 1948), p. 155.

The result of all of this is to neutralize the effectiveness of the newspapers as an opposition group in the decision-making process. The Board's ability thus to use or neutralize the effectiveness of the mass media of communication is a factor in understanding the social power position of the Board.

These seven factors, the social cohesion of the group, the multiple-listing system, the cumulative nature of social power, the utilization of unique technical information, the identification with the value systems of the community, the participation of realtors in authority positions, and the short-circuiting of the opposition influence of the newspapers, are of basic significance in the analysis of the Grand Rapids Real Estate Board as a system of influence in the community decision-making process.

CHAPTER VI

LEGITIMATION OF THE SOCIAL POWER POSITION

A. The Function of Legitimation

Legitimation is used in this study to denote the formulation and presentation of socially acceptable reasons which offer whatever formulae are deemed appropriate for justifying and explaining decisions and convincing those involved that the decisions are valid. These are framed according to the sentiments and symbols in use in the social system. When adequate approval is secured, the decision appears to be "right" and becomes "legitimate" to those concerned.

The widely varying usages of this term have caused considerable confusion, the ambiguity of it necessitating precise statements of meaning as a prerequisite for usage. The definition above may attain greater clarity if one observes how the term is used by some others. Max Weber is noted for his contributions concerning legitimation, but he applied the term directly only to authority structures. He listed three pure types, rarely found in reality, of inner justifications or basic legitimations

of authority: traditional, or habitual orientation to conform as the result of ancient recognition; charismatic, or the authority of extraordinary and personal gift of grace, the "absolutely personal devotion and personal confidence in revelation, heroism, or other qualities of individual leadership"; rational-legal, or the authority by virtue of legality, with legitimacy resting upon rules that are rationally established by enactment, by agreement, or by imposition. Orders are given in the name of an impersonal norm, rather than in the name of personal authority.¹

Although Weber never clearly distinguished authority and influence, a careful scrutiny of his writings will reveal that he infrequently did use the term influence without carefully defining it. In fact, in one case he used influence as a broad concept, under which even authority may be subsumed. He wrote:

This (economic power) will not, taken by itself, be considered to constitute authority any more than any other kind of influence which is derived from some kind of superiority as by virtue of erotic attractiveness, skill in sport or in discussion.²

¹ Max Weber, Wirtschaft und Gesellschaft (Tubingen: Mohr, 1925), Vol. I, p. 124.

² Talcott Parsons and A. M. Henderson (trans.), Max Weber: The Theory of Social and Economic Organization (New York: Oxford University Press, 1947), p. 326.



In a sense, he also spoke of legitimation of influence positions, although not using the term. For example, he wrote of social action bringing results because it is adapted to the "normal interests of the actors as they themselves are aware of them." This orientation to the situation in terms of "pure self-interest" of the individual and of the others to whom he is related can "bring about results which are very similar to those which an authority agency, very often in vain, has attempted by coercion."³

MacIver also spoke of legitimation primarily as referring to the justification of authority. "When we speak of an authority," he says, "we mean a person or body of persons possessed of this right (to determine policies)." He goes on to insist that power alone has no legitimacy. From the context it is evident that power is equated with force, and that authority and influence are conceived of together.⁴

Simmel obliquely got at the problem of legitimation, both in his conception of what he called "adornment" and in his

³ Ibid., p. 122.

⁴ R. M. MacIver, The Web of Government (New York: Macmillan Co., 1947), p. 83.



scheme of interaction between superordination and subordination. Adornment was used to denote the process by which the individual resolved the contradictory tendencies in himself to please others and to please himself.⁵ For the purposes of this study this would mean that while the influence of A over B would bring pleasure to A, it would also bring displeasure to A unless the influence were legitimized so that it also was pleasing to B.

In his discussion of the interdependence of superordinates and subordinates, where stress is placed on the dependence of the superordinate on the subordinate, in an unusual twist of the ordinary emphasis, Simmel also laid the basic foundation for legitimation. Social power cannot be viewed as the sheer imposition of will by the social actor. The reaction of the acted-upon is also important. Hence, the significance of legitimation. He insisted that "nobody wishes that his influence completely determine the other individual. He rather wants this influence . . . to act back upon him." He cited illustrations of this "decisive reciprocal effectiveness which was

⁵ Kurt Wolff (trans.), The Sociology of Georg Simmel (Glencoe, Ill.: Free Press, 1950), p. 338.

concealed under the one-sided character of influence and being influenced."⁶

A number of other writers have dealt with legitimation in an ethical sense, and have been concerned with the study of motives, the assessment of means used and goals envisioned, with the arriving at conclusions of whether a given situation was "right" or "wrong," or with other moral evaluations. Hillenbrand, for example, defined legitimation as the "ethical sanction for authority."⁷

Given Mosca's basic contention that, contrary to theories of majority rule, societies are always ruled by minorities, one would expect that he would do something with legitimation. He did, although he also failed to use the term. In Mosca's theory of the "political formula," there is always a ruling minority, but such minorities never stop at the brute fact of holding power. They justify their rule by theories or principles, which are in turn based on beliefs or ethical systems which are accepted by

⁶ Ibid., pp. 181-9.

⁷ M. J. Hillenbrand, Power and Morals (New York: Columbia University Press, 1949), p. 134.

those who are ruled. These "political formulas" contain very little that could be described as "truth," but they should not be regarded as deliberate deceptions or mystifications on the part of the scheming rulers. They express, rather, a "deep need in human nature," whereby the human being more readily defers to abstract universal principles than to the will of individual human beings.⁸

The ruling classes, and these to Mosca included those groups of people who actually and directly participated in government or influenced it, in "highly civilized societies," do not justify their power exclusively by de facto possession of it, but try to find a moral and legal basis for it, "representing it as the logical and necessary consequence of doctrines and beliefs that are generally recognized and accepted." If it is a Christian society, justification is in terms of rule by "divine right"; if a democratic society, it is in terms of "sovereign will of the voters." Because of its cultural relevance,

⁸ Gaetano Mosca, The Ruling Class (New York: McGraw-Hill, 1939), p. xv. (Hannah D. Kahn, translator; originally appeared in 1896.)

this justification can "hardly be the same in two or more different societies."⁹

For the purposes of this study, legitimation will be used to refer to both aspects of social power, authority, and influence. Specifically, here, the interest is in how decisions effectuated in the community by an influence group without the legal prerogative for decision-making are made to seem legitimate, right, natural, and valid to those involved in the decision. Although, as has just been indicated, considerable emphasis has been placed on the legitimation of authority positions and decisions, not much is known about the legitimation of influence positions and decisions. And yet it is precisely because the group of influence lacks the officially recognized prerogatives for making decisions that legitimation becomes all the more crucial. It is one thing for a city commission to make its decisions appear to be valid, but quite another for the Real Estate Board to do so.

The importance of the legitimation process is underscored by the fact that social power is generally evaluated negatively in

⁹ Ibid., p. 71.

our culture. Useem found that whereas there are ethical sanctions for acquiring wealth in the United States, "only limited moral equivalents sustain the pursuit of power. The image of the man of power is to a considerable degree negative."¹⁰

Because of this, it is essential that a group or individual exercising influence legitimize the power position. As has been noted, the Real Estate Board achieved this, in one way, by identifying its interests with those of property owners, those interested in preserving the American way of life, those concerned with keeping taxes low, and the like. From this, it follows that to set up a dichotomy of legitimate and nonlegitimate power or authority or influence is in a sense unrealistic. It is preferable to speak of legitimized power or the process of legitimation. Power may be legitimized for only some groups in the community. For another group to exercise the same power might be considered nonlegitimate.

Further, legitimation is important in the case of each decision which the group is attempting to influence. In each new decision it is necessary to make the publics involved feel

¹⁰ John Useem, "The Sociology of Power," unpublished paper read at the annual meeting of the American Sociological Society, September 8, 1950.

that the decision is right and valid. It is somewhat unrealistic to speak of a group having legitimate power or influence. The group may be able to legitimize Decision X without being able to achieve legitimation for Decision Y.

Because of this, it may be assumed that a group which is consistently effective in the determination of community decisions, as the Real Estate Board was found to be, has managed well its legitimation techniques, that it senses accurately community value systems, that it skilfully manipulates symbols, so that the influenced consider its point of view to be valid and right. In fact, it is conceivable that the whole problem of influence and social power in a community might be approached through an analysis of the relative effectiveness of the systems of legitimation of the groups involved in the decision-making processes.

While it is true that an influence group, like the Real Estate Board, stands more in need of legitimation than does an authority group, it is also probably true that an initiator of decisions finds legitimation more necessary than a group like the Real Estate Board, which never initiates a decision in the community. The initiator of social change, whether the change

be progressive or retrogressive, sooner risks negative community reaction in terms of "what is this group trying to put over?" than a group which waits for an issue to become active and then enters the decision-making process with its proposals and advice.

Involved here is something beyond a mere comparison of the advantages of a negative position with those of a positive position, since one might be a noninitiator, and still legitimize opposition to the initiator by a positive approach. Two illustrations flow from the study of the Real Estate Board. When the Board opposed a bond issue for new schools it told the voters that it was not opposed to new schools; in fact, that it did also recognize the need for new schools. It said, however, that it favored another, a "better," method of financing them, and that it knew of such a "better" method, hinting at a wiser spending of money now available to the schools. This "better" method would not threaten home ownership because of high taxes as the bond issue would do, the public was told. After the issue was defeated by the voters, and the alternative plan of the Board was not heard of again, several citizens wrote the Board asking what its plan was, but no reply was given.



A second illustration came from the Board's opposition to slum clearance through public housing. During the campaign the Board indicated that it was not opposed to slum clearance, but that it had a "better" method of achieving this end than public housing which threatened so many values in the community. The Board said that it was ready to propose the "Baltimore Plan" for the removal of slums the painless way. Here, again, the legitimation for opposing public housing was not in terms of resistance to change, but rather in terms of positive, "better" values. Again in this case, the Board failed to take the initiator's role it had intimated it would take if the voters would defeat public housing. Again, several letters were received by the Board from citizens and groups, asking when the Board was going to outline and activate its program. In this case, even one of the directors suggested a responsibility of the Board to do something. When brought to a vote, however, it was decided not to "discuss the matter of slum clearance until it became an active social issue."

The purpose of this section has been to describe what is meant by legitimation and to indicate the functions it performs in the decision-making process, how it not only makes

individual decisions seem to be right and valid, but also how it justifies a social power position when such a position is generally assigned a negative value in the culture.

B. Symbol Manipulation as a Legitimation Device

Symbols perform an important social function in power situations. Through the manipulation of symbols, power positions have been overthrown, altered, and maintained. A symbol may be anything which has meaning or significance in a given situation. Although generally referring to linguistic factors, such as slogans, polemics, and platforms, symbols may include also such things as flags, insignia, monuments, and the like.

By symbol manipulation, which constitutes propaganda and the control of public opinion to some, it is meant the calling forth of the symbols deemed most appropriate for the specific decision process at hand, and for achieving the consequences intended in a given cultural context.

It is important to note that the connection of symbols with social power is not necessarily in terms of the cognitive referent or designative meaning of the symbols, but often is in terms of their affect or emotional referent or their appraisive

meaning. Lasswell suggested that the "bearings of the symbol on power relationships may result from the feelings it arouses or action it incites, rather than from the objects or states of affairs symbolized."¹¹

Lippmann also emphasized this emotional aspect of symbol manipulation, indicating that because of its power to siphon emotion out of distinct ideas, the symbol is both a mechanism of solidarity, and a mechanism of exploitation. He wrote:

The leader knows that only when symbols have done their work is there a handle he can use to move the crowd. In the symbol emotion is discharged at a common target and the idiosyncrasies of real ideas blotted out. For clear definitions and candid statements serve all high purposes known to man, except the easy conservation of a common will.¹²

Because of the cultural relevancy involved in symbol manipulation, it is also helpful to distinguish between manifest and latent content of the symbols. While the manifest content, the obvious, direct meaning, of the symbol, may have no connection with power position or practices, the latent content may

¹¹ Harold D. Lasswell and Abraham Kaplan, Power and Society (New Haven: Yale University Press, 1950), p. 104.

¹² Walter Lippmann, Public Opinion (New York: Macmillan Co., 1949), p. 234.

be directly connected with social power. Since the latent content is esoteric, one not familiar with the culture in which the symbol is used would not understand its function in a specific situation. An "outsider" could not adequately understand the slogan "Solidarity Forever" because he would be bogged down in the manifest meaning of the symbol; but a labor union member would also comprehend its latent content.

Merton's study of the war bond drive conducted by Kate Smith revealed the importance of latent content in the understanding of symbol manipulation.

It became abundantly clear that the basis of persuasion by Smith included far more than the manifest content of her radio appeals. It was a larger configuration in which the audience's images of Smith, the class structure of our society, the cultural standards of distinct strata of the population, and socially induced expectations, feelings, tensions, were all intricately involved in the patterns of response to the bond drive.¹³

Lasswell distinguished three types of symbols--those of identification, demand, and expectation.¹⁴ The use of identification

¹³ Robert K. Merton, Mass Persuasion: The Social Psychology of a War Bond Drive (New York: Harper & Bros., 1946), p. 9.

¹⁴ Harold D. Lasswell, "World Politics and Personal Insecurity," p. 9, in Lasswell, Charles E. Merriam and T. V. Smith, A Study of Power (Glencoe, Ill.: The Free Press, 1950).

symbols involved legitimization of special and private demands in terms of more inclusive symbols, expanding them beyond the group actually making the demand. Hence, the Real Estate Board legitimizes its support for a return of state sales tax money to the local area by identifying its position with all those who are fighting for the preservation of "home rule" and grass roots government.

The use of demand symbols involves legitimizing the position of a special group by associating its stand on a social issue with those things generally demanded in the community. Thus the Real Estate Board justifies its opposition to public housing by identifying its views with the preservation of democracy, a demanded value.

Expectation symbols are those which legitimize a decision by aligning it with those things generally expected by the public involved. Since low taxes are one of the expectancies of the community, one of those items about which people say "of course," and concerning which there is consensus, the Real Estate Board frequently legitimizes its decisions through the use of symbols involving this value.

The Lynds emphasized the importance of distinguishing the inescapable realities of a culture from the symbols and traditions that cloak them.

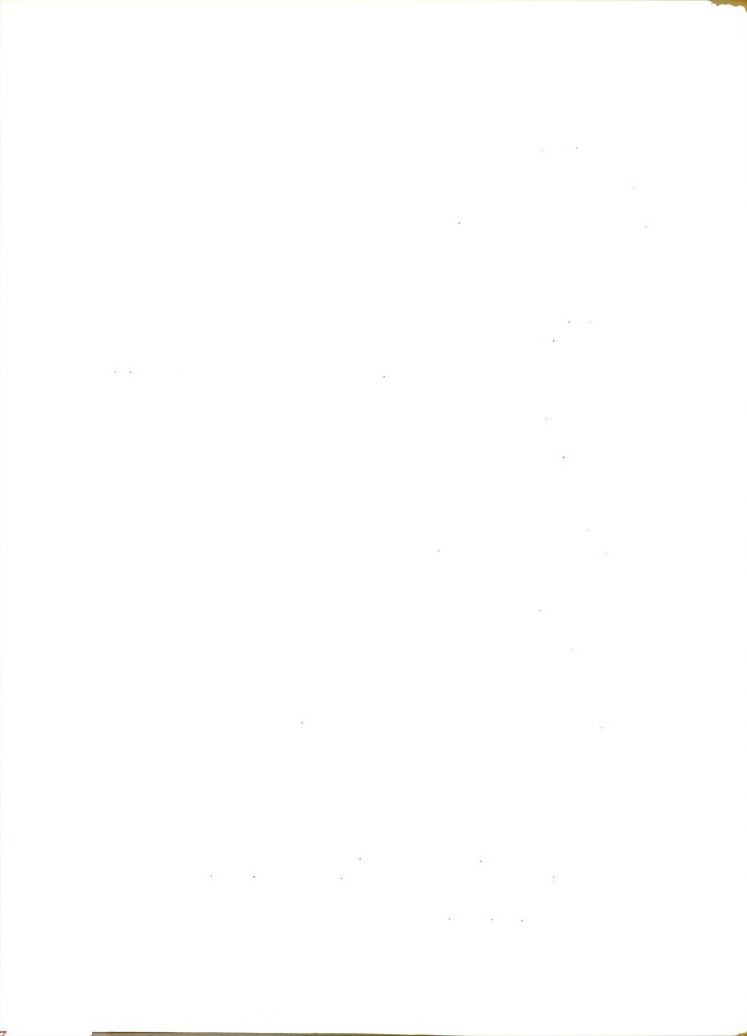
Middletown, like every other society, lives by a relatively small and selected group of cultural clichés, bred of its experience and emotionally heavily loaded with moral affect. These are the underlying drumbeats of life in Middletown. They "make sense" and give the security of the familiar; and in times of strain they tend to stiffen and to become obligatory behavior. But a system of education . . . is not calculated to encourage the wholesale reliance on old symbols. Children encouraged to think are inclined to poke a finger through the paper wall and look in at the realities within.¹⁵

This by no means implies that in carrying on its daily operations of living Middletown acts necessarily according to these values which it affirms. Often quite the contrary is the case. But these are the values in the name of which it acts, the symbols which can be counted upon to secure emotional response, the banners under which it marches.¹⁶

At least two major social functions of symbols were found to be significant in the analysis of the legitimation of the social power position of the Real Estate Board. First, the use of symbols functioned to facilitate decision-making by providing

¹⁵ Robert S. and Helen M. Lynd, Middletown in Transition (New York: Harcourt, Brace & Co., 1937), p. 225.

¹⁶ Ibid., p. 403.



for the avoidance or evasion of issues. Symbols served to short-circuit the rationality processes and provided people with an answer on controversial matters without necessitating their thinking the problem through. Through the use of symbols it is not the facts about community need that is important in understanding a decision, but what people believe to be the facts about community need. From this it follows that a decision cannot be used to evaluate how the voters felt about a community need, because their response is often oriented toward the symbols manipulated, rather than toward the specific community need involved.

It is this kind of situation that a recently held City Government Institute, sponsored by the CIO in Grand Rapids, had in mind. After studying the housing situation in the city, the members concluded:

Investigation by the Michigan Council of Churches into housing conditions in the city of Grand Rapids had revealed a desperate need for decent and adequate low-cost housing. Real estate lobbyists smeared the proposal of federal housing with the cry of "Socialistic," and apparently this was what the voters believed as the proposal was twice turned down.

The voters have refused to believe facts, but prefer to believe the lies, half-truths and fanatical cries of the real estate groups.¹⁷

The Lynds found that in Middletown symbols were repeatedly used to avoid facing issues, that rather than pondering its problems, it prefers to "sloganize" them, to meet them with a "few encompassing familiar slogans."¹⁸

Since symbols serve to provide for the evasion of issues, they also function to deflect criticism from the influence group and to obscure self-centered interaction of the group. For example, the tendency to criticize the Real Estate Board for the lack of adequate schools or for the perpetuation of slum housing is stifled because the symbols have been manipulated in such a way that the Board was not opposing good schools or good housing, but was fighting to preserve low taxes and the American way of life, and one cannot criticize a group for having those noble aims.

Further, the self-interest which may have been involved in determining the role which the Board would play in influencing

¹⁷ West Michigan News, March 20, 1952, p. 8.

¹⁸ Lynd and Lynd, op. cit., p. 492.

a given decision can be obscured by the manipulation of the proper symbols. After all, the group was not seeking its own interests, but these larger, altruistic interests wrapped up in symbols like democracy, low taxes, local government, home ownership, and the like.

Symbols, then, serve the social function of defining the situation in whatever terms the group manipulating the symbols wishes to have it defined. Symbols tend to fix perceptions and, derivatively, thought and behavior. As Merton indicated, "Men respond not only to the objective features of a situation, but also, and at times primarily, to the meaning this situation has for them."¹⁹ Symbols function to provide those meanings in a decision situation which the groups influencing the decision have in mind.

It is undoubtedly with this in mind that Garceau in the study of the public library concluded that all interest groups must establish themselves in society by linking their group causes to "abstract statements of moral purpose and a picture

¹⁹ Robert K. Merton, Social Theory and Social Structure (Glencoe, Ill.: The Free Press, 1949), p. 179.

of the good society. To survive, any power system must justify its being in terms of right."²⁰

A second major social function of symbols pertinent to this study is to provide a common bond or basis for agreement for groups with disparate interests. Since the symbol in itself signifies literally no one thing in particular, it can be associated with almost anything. Lippmann has stated that it is because of this that the symbol can become the "common bond of common feelings, even though these feelings were originally attached to disparate ideas."²¹

As a group uses symbols which tend to raise the level of abstraction, diverting attention from the concrete issues, the larger the number of supporters it will have. Divergencies which might arise as to any aspect of the concrete situation (conflicts, for example, over whether a given condition was undesirable or not, or conflicts of values over methods of alleviating it) will be muted as the focus is shifted to the higher level of abstraction through symbol manipulation.

²⁰ Oliver Garceau, The Public Library in the Political Process (New York: Columbia University Press, 1949), p. 144.

²¹ Lippmann, op. cit., p. 206.

Illustrative of this function of symbols is the way the Real Estate Board legitimized its conflicting positions on the two school bond issues. When the Board opposed a bond issue for new schools it referred to the evils of higher taxes and the threats to home ownership, rather than becoming involved in disputes about the precise need for X number of additional schoolrooms for Y number of additional students, or in disputes about where the schools were to be located or how they were to be financed. On these latter specific issues there were whole arrays of disparate ideas.

However, by manipulating the symbols of taxes and home ownership it was possible to run a unifying thread through the group divergencies and tie them up into a solid bloc of opposition to the bond issue.

When the Real Estate Board, several years later, favored a school bond issue, legitimation was achieved by moving up a little higher in the level of abstraction to again bypass disparities among groups and attain consensus. In this campaign the Board shifted from using taxes as its chief symbol to using property-value symbols. Although there were real disagreements in the community as to whether taxes should be kept down

or whether they should be allowed to rise because of the school emergency, there were fewer areas of disagreement about property values. The protection of property values, the Board said, at times involved "small increases in taxes" because deteriorated and overcrowded schools were a greater threat to property values than the slight tax increase would be. By emphasizing property values, the Board again unified publics with disparate interests, this time into an overwhelming majority in favor of the bond issue.

Mosca refers to this function of symbols when he asserts that human masses can be organized and utilized for the attainment of specific purposes "only by uniting them around some formula that will contain a large measure of illusion." He contends that people more readily defer to abstract principles that seem to have an abiding validity than to the desire of specific groups, which often "functions capriciously, may be valid only case by case, and, in any event, may shock the self-respect of the man who has a right to feel that he is being overridden by brute force."

²² Mosca, op. cit., p. xxxiii.

This unifying function that symbols perform by raising the level of abstraction should be viewed in the sociocultural context. Merton's study of the success of Kate Smith in selling war bonds revealed that an important explanation was the belief of people in her integrity, whereas they felt they were often the object of exploitation, manipulation, and control by others who had their own private interests at heart. He found that only against this background of skepticism and distrust stemming from a prevalently manipulative society was he able to interpret the belief of people in "a public figure who is thought to incarnate the virtues of sincerity, integrity, good fellowship, and altruism."²³

So, too, the Real Estate Board gains adherents for its point of view by using symbols which are not those of a "salesmanship" special-interest group, but which associate the Board with patriotism, conservatism, altruism, community interest, and the like. It is important that these symbols be reinforced by the experience of people if at all possible. And the Board has had this kind of reinforcement. The symbol of "community

²³ Merton, Mass Persuasion, op. cit., p. 11.

interest'' to legitimize the Board's stand on issues was strengthened by the well-publicized award it received from the National Association of Real Estate Boards for being the realtor group which had done most for its community. It was also undergirded by the laudatory statements of city officials for contributions the Board made toward the new city-wide zoning code.

The symbol of 'preserver of the American way of life' is reinforced by the county-wide essay contest on the American way of life in connection with 'Constitution Day' sponsored each year by the Board, with a large public meeting as a climax. The altruistic motive is further validated by indicating the time, money, and effort that is expended for these unselfish purposes.

The symbol of 'protector of property owners' and 'promoter of home ownership' is reinforced every time a realtor helps a client buy a home. It is further validated by the anniversary cards sent by realtors to those who have bought homes on subsequent anniversary dates of the purchase, as well as by sponsorship of home shows which draw tens of thousands of visitors each year, and 'home week' celebrations.

Lasswell held that each public policy calls for two types of intelligence--ideological and technical. By ideological is

meant "facts about the thoughts, feelings, and conduct of human beings." He felt that it makes no difference whether the policy goal is phrased in ideological or technical terms, both kinds of information being involved in any complete consideration of a decision. "Ideologically phrased objectives are to strengthen the will to victory, to demoralize the fighting will of the enemy, and to win allies."²⁴

Understanding the social functions of symbols, then, is prerequisite for an adequate analysis of the position of influence a group may have in the social power patterns of a community, and is important for evaluating the dynamics of the decision-making processes.

C. Other Legitimation Techniques Utilized

Although symbol manipulations represent the basic legitimation technique of the Real Estate Board, two other devices are used to make the position of the Board in community controversial issues seem to be right and valid.

²⁴ Harold D. Lasswell, The Analysis of Political Behavior (London: Routledge & Kegan Paul, Ltd., 1948), pp. 123-4.

The first of these involves the limited use of shifting alliances with other community groups when there is some doubt as to the willingness of the publics concerned to accept the advice of the Board. That this technique has been so rarely employed and that the alliances are soon abandoned serve to emphasize the extent and effectiveness of the social power position of the Board.

Several years back in its history, when the Board was very interested in establishing a fifteen-mill limit on property taxes and was not yet completely certain of the public's acceptance of its advice in community decisions involving taxes, the Board, as was noted in an earlier chapter, allied itself with a property owners group. Property owners were allowed and encouraged to become associate members of the Board, and the board of directors was composed of six realtors and six property owners.

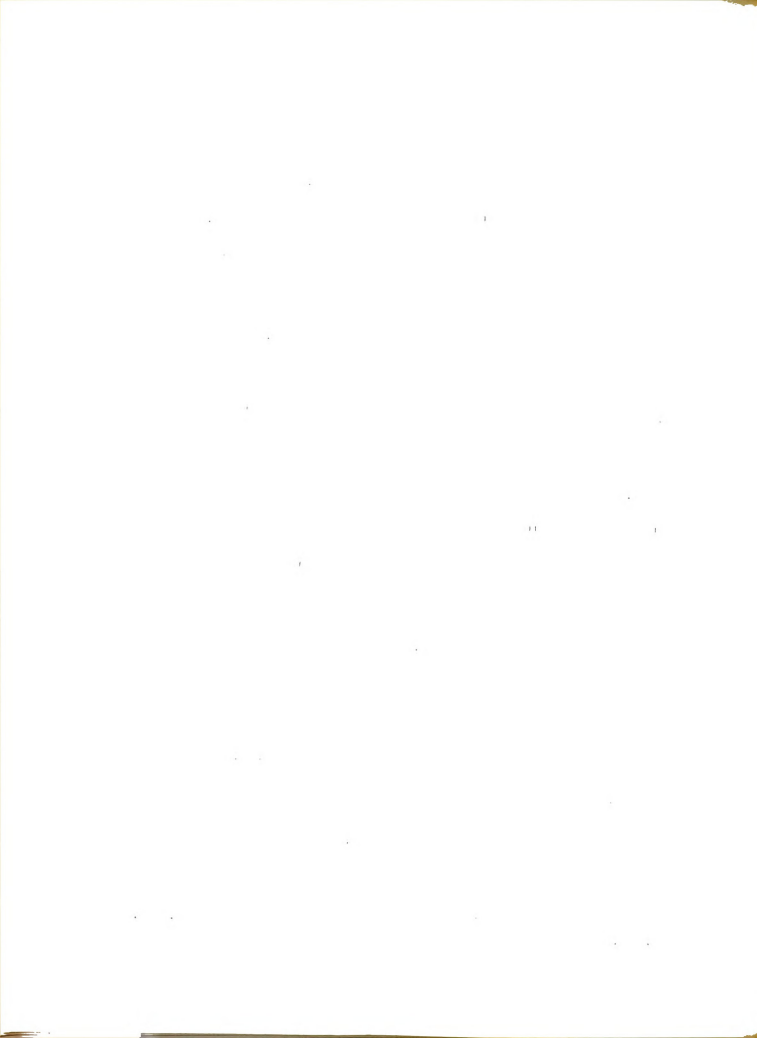
That this would not jeopardize realtor control of the Board was assured by instituting an executive committee, composed only of realtors, which actually determined policy, and by the fact that several of the six property owner directors were also realtors. However, this figurehead board of directors

did aid the realtors in legitimizing their stand on tax limits in terms of the interests of property owners. It served to reinforce the symbol of "protector of the property owner."

After this function of validation of the Board's position on taxes had been served, the structure of the Board was changed to eliminate the property owner representation. The fact that this shift drew no protests from property owners and that it caused no upheaval in the operation of the Board's affairs further indicates that the representation was for symbolic purposes only. When the Board won its next community decision on taxes, "going it alone" without the property owner representation, the minutes included the following statement, "The election indicates that property owners in Grand Rapids still look to the Board for advice in matters of taxation."

Merton refers to this maneuver when he concludes that the social functions of an organization help to determine the structure, including the recruitment of personnel involved in the structure, "just as the structure helps determine the effectiveness with which the functions are fulfilled."²⁵

²⁵ Merton, Social Theory and Social Structure, op. cit., p. 80.

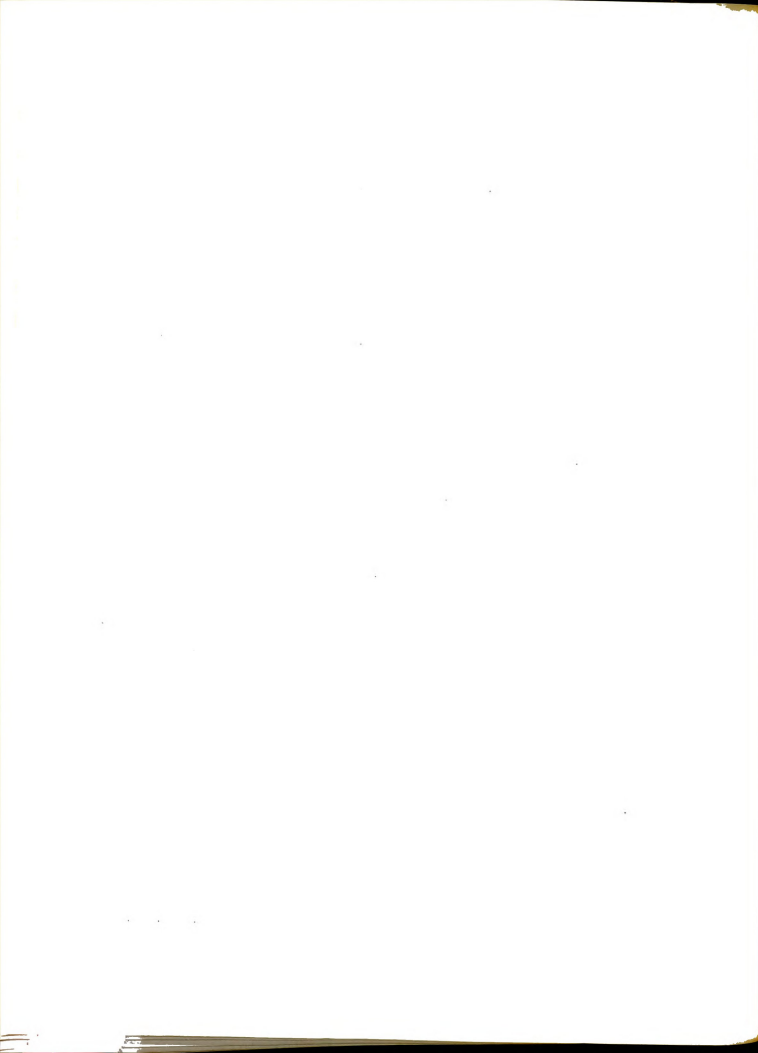


In connection with the fights against public housing, the Board again used the alliance technique to broaden its base and thus facilitate legitimation. This time it combined forces with local builders and building supply dealers to form the Allied Construction and Real Estate Council. One-half of the budget was contributed by the Real Estate Board, one-fourth, by the Builders and Traders Exchange, and one-eighth each, by the Home Builders Association and the Lumber Dealers Association. Although ostensibly the Council was organized for additional reasons besides the fight against public housing, it was not long after the defeat of public housing that the Board's representative on the Council urged withdrawal from it. One reason was that at the same time that the realtors wanted the Council to go to Washington to prove that there was not a housing shortage in Grand Rapids and, hence, no longer need for rent controls, the builders wanted the Council to go to Washington to prove that Grand Rapids was an area of critical housing shortage so that priorities for building materials would be granted. The difficulty was resolved by having the Council do both in the same week, a situation made possible undoubtedly by the fact that the conflicting claims were made to different Washington agencies.

This technique of loose and shifting alliances, however, has been rarely used. Besides indicating the strength of the Board in the decision-making processes in the community, this meager use of alliances with other power blocs has meant that the Board has not been forced to compromise positions, which is often the result of such alliances. Lasswell indicated, "The important decisions of our society are often compromises between conflicting influential groups and not the dictates of one group only."²⁶ This was not found to be true of the Grand Rapids Real Estate Board. The Board was found to seek alliances only rarely, and to be ready to dissolve the alliance rather than to make compromises.

Besides the use of such alliances, a second legitimation technique employed by the Board which should be described in this section is the validating of the power position through contacts of individual realtors with the ready-made groups of the community, and the personal, face-to-face contacts of the realtors.

²⁶ Lasswell, Analysis of Political Behavior, op. cit., p. 69.



It has been observed in an earlier chapter that since the Board has frequently been opposed in social issues by the mass media of communication, the Board has had to resort to making these direct appeals on a personal and small-group basis. It has also been noted that the real estate business is such as to provide the realtors with a wide variety of contacts at all class levels, and that these contacts are of a more intimate, sustained nature than the ordinary buyer-seller relationship, thus allowing for an interchange of thinking on social issues. The group memberships of individual realtors also was found to be broadly representative of the various groups in the community, and not confined to the country club or luncheon club variety, or to a given national, religious, or social segment.

The interest here is not so much the channel of communication provided by this situation as the potentialities for legitimation which it affords. Through these intimate, varied contacts and through these widely representative group memberships of individual realtors, the validation of the position of the Board on controversial issues is facilitated.

Lazarsfeld's study of the influencing of voters' choices revealed that personal relationships were potentially more



influential than the formal media of communication because their coverage is greater, and because they have certain psychological advantages. The study found that on any average day at least ten per cent more people participated in discussions about the election than listened to a major speech or read about campaign items in the newspaper. These political conversations were found to be particularly important in the case of those who were indecisive as to whether or how to vote.²⁷

These personal contacts provide rich opportunities for legitimizing the Board's position on a community decision. First, they allow for a flexibility in the presentation which can take into account the preferences, dislikes, and general value systems of the person or group being contacted. The approach and the mode of legitimation can be altered, adapted, and reinforced in terms of the pet convictions encountered. Hesitancies, apathies, and areas of resistance can be detected, and responses shaped to meet them. When a rather homogeneous group is involved, or in any personal contacts, specific and concrete symbols can

²⁷ Paul F. Lazarsfeld, et al., The People's Choice (New York: Columbia University Press, 1948), p. 150.

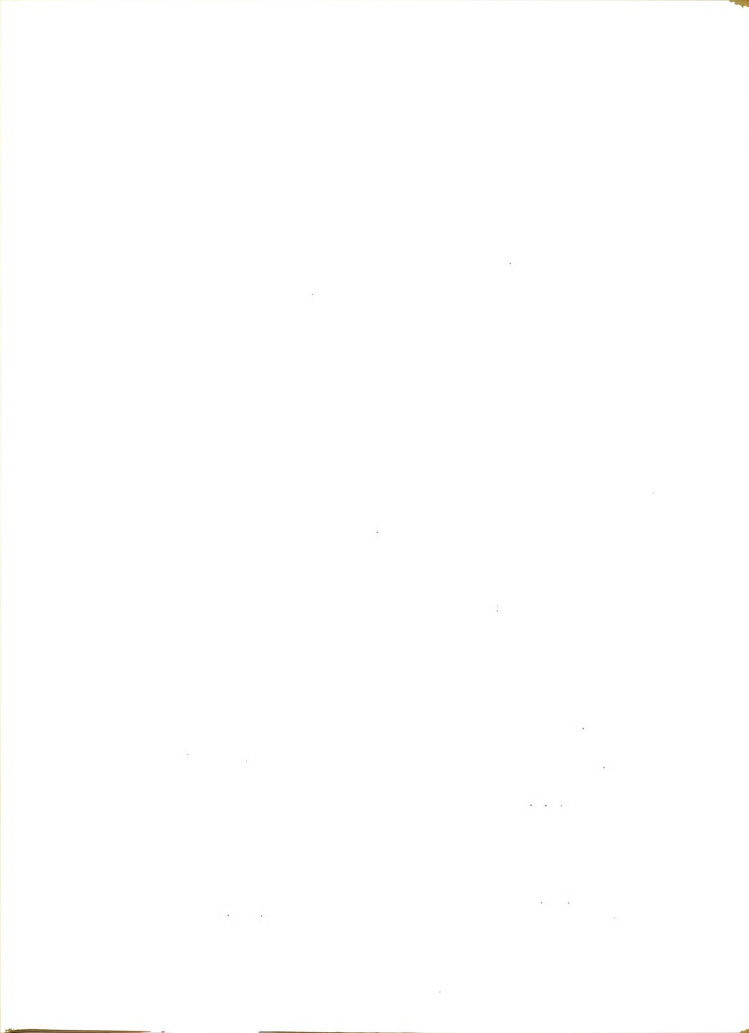
be manipulated to fit the prejudices at hand, whereas, in the mass media and in large public meetings, the symbols will have to be pitched at a higher level of abstraction so as to avoid areas of difference.

Second, these personal contacts have a nonpurposiveness about them so that mental defenses are not erected in the way they often are in listening to a political speech or reading a political advertisement. In a casual conversation or in the weekly meeting of the bowling club, one's guard is not up, one is generally not suspicious as to the persuasive intentions of the speakers, and legitimation is facilitated.

Sanders indicated the effectiveness of these informal contacts when he wrote:

In some communities I would rather have two loquacious barbers reciting the virtues of my program for two or three days to all customers who sat in their chairs than to have two or three high-sounding editorials in the local press. This is not to deny the power of the press and the tremendous role it can wield in the formation of public opinion. It just so happens that getting the program favorably accepted in some of the community's gossip chains will aid greatly . . .²⁸

²⁸ I. T. Sanders, Making Good Communities Better (Lexington: University of Kentucky Press, 1950), p. 49.



Third, these personal contacts are effective in legitimation because of the tendency to put trust in an intimate source. Since the realtor is a person "I know," or a member of "our group,"--"one of us"--he is considered to have thought the issue through in terms of my or our interests. One tends to trust the judgment and evaluation of the respected people among his associates, since most of them have the same status and interests as himself. "When Joe talks taxes to me I know he has my taxes in mind, and besides he can tell me just how much they will go up if this thing passes," is the way one informant put it.

This trust in an intimate source is all the more important when viewed against the general context of distrust resulting from a society which feels itself the daily object of manipulation by economic and political groups. People see themselves as targets for ingenious methods of control, both through advertising which pleads, promises, threatens, and through propagandas that attempt to identify private and self-interested motives with the public good. Merton contended that this "instrumentalizes human relationships. In such a society, as Durkheim and Simmel

came to see, there are few dependable ties between each man and others."²⁹

Mannheim asserted that in such a society men will tend to look at every relationship through a tradesman's eyes. He writes:

They will tend more and more to picture natural objects as commodities and look at personal relationships from a mercenary point of view. In this process . . . self-estrangement and dehumanization will develop and a type of man is born for whom a tree is not a tree, but timber.³⁰

In such a context, the personal contacts and group memberships of individual realtors, resulting in intimate associations and trust relationships, become an effective method for the legitimization of the Board's participation in the social issues of the community, and helps to explain the success it has had in determining these decisions.

Both of the legitimization factors developed in this section provide the Board with opportunities to validate its position in terms of your interests, rather than its own interests. It is

²⁹ Merton, Mass Persuasion, op. cit., p. 143.

³⁰ Karl Mannheim, Man and Society in an Age of Reconstruction (New York: Harcourt, Brace & Co., 1940), p. 19.

precisely because of this that the Board has never had to resort to the roundabout legitimation of "what is good for the Real Estate Board, is good for the community," which so many other power blocs, including both business and labor, have attempted to use. The Board appeals directly to the community good, and does not ask the community to seek its good through the mediation of the Board.

D. The Community Image of the Board as a
Factor in Legitimation

The community image of the Real Estate Board as a system of influence was found to be a mixture of three reactions. There were those who did not associate the Board with the influencing of community decisions, those who felt the Board championed the cause of the average citizen in general, but particularly the cause of the 70 per cent of the community who were property owners, and finally, those who felt that the Board was an obstructionist group impeding community progress.

Interviews with members of the first category indicated that the Board's legitimation of its participation in community decision-making in terms of community interest and welfare had been so successful that a segment of the public failed to



identify the Board as a social power bloc. The symbol manipulation according to community values had obscured the involvement of the Board in the decision. Although it was thought at first that this might be a group which had not been reached by the Board in its determination of decisions, this proved not to be the case. When members in this category failed to mention the Board as a social power factor in the community, they were asked specifically whether they thought that the Board was influential. Several then responded, "Yes, that's right; I had forgotten the realtors." Others did not identify the Board as an influential until a specific decision was referred to, and even then, some still did not associate the Board with it. In fact, several gave completely wrong answers when asked which group had most influenced a given decision, such as naming the newspapers as being responsible for the defeat of public housing when the newspapers had actively backed the proposal.

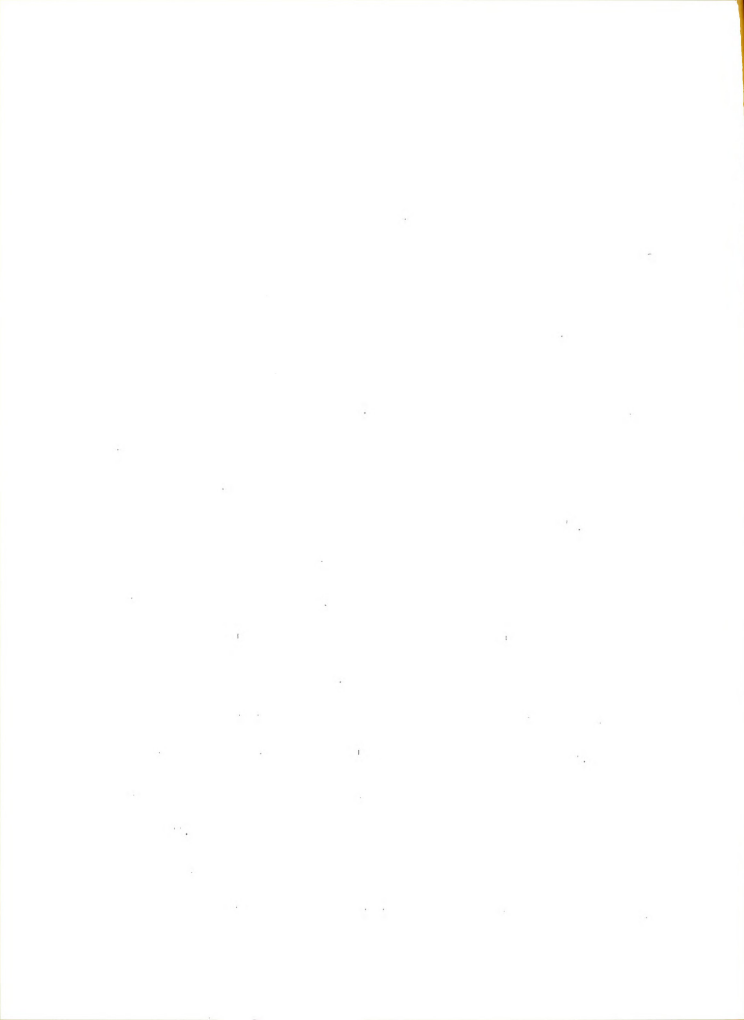
Since in most of these cases the Board was recognized eventually as an influential, the reason for the original lack of identification of the Board as a social power bloc was considered to be the adequacy of the Board's legitimation of its power position in terms of altruistic values.



The second category included those whose image of the Board was one of positive affect--those who felt the Board was the champion of the citizenry. Previous legitimations had been successful with these people, and it could be expected that the legitimization of subsequent Board decisions for them would not be difficult. Included here were those who felt that realtors had the kind of knowledge and technical information which was necessary to make wise decisions. As one informant indicated, "Those boys know this city; they see the problems as a whole. They have all kinds of material at their fingertips. They're practical."

Also included here were those who had accepted the Board as the spokesman for property owners. One wealthy executive put it this way, "If the Real Estate Board doesn't look out for the property owner, no one else will. It has done more to protect property values in this community than everyone else put together." Another person said, "All you have to do is compare the tax rates on property in this city with any other city and you will see how the Board has helped this community."

Also included among those who viewed the Board as a champion of the cause of the average citizen were those who



stressed the middle-class placement of realtors. "I have many friends who are realtors and they are just as common as I am," was a reaction often heard. Whereas the talk about the Chamber of Commerce revealed considerable social distance, that concerning the Real Estate Board did not. A newspaper editor said that the "Board has an advantage over the Chamber of Commerce in that the latter is associated with money and that develops antagonisms among the workingmen."

This "plain folks" idea is reinforced and the "big businessman" stereotype is shattered each time a realtor picks up a customer in his car and drives around town showing homes to the client. Realtors "know the language" of the various social classes represented by their clients, and must utilize it appropriately in order to be effective in the sales field. All of this serves to diminish the social distance.

It was found that with few exceptions realtors were not found in the high prestige positions of the community. They did not head luncheon clubs, nor Community Chest or Red Cross drives. They were not known as "civic leaders." When the Queen of The Netherlands visited the community a reception committee of more than fifty "leading and representative"

citizens was named, but only one realtor was included in the list, and he, because of his position as president of the city commission.

A prominent city official who had served other cities throughout the country said that he found real estate boards to be less influential in the other cities, but that individual realtors were more influential. He said, "Here the Board is strong but individual realtors are not generally big men."

This image of the realtor as being a "common person like myself" is a considerable aid in the legitimization process. The less the social distance between the group of influence and the individuals influenced, the easier it is to validate the position of influence and to make a given decision seem to be natural and right.

Although many studies of power, influence, and leadership have illustrated how important people set the fashions and are imitated by others, it is also valuable to note this horizontal type of influence, and particularly the ease with which it can be legitimized. Lazarsfeld concluded in his study that "opinion leadership does not operate only vertically, from top to bottom,

but also horizontally: there are opinion leaders in every walk of life."³¹

Merton found that one of the important reasons for Kate Smith's success in selling war bonds was the "plain folks" impression she gave. She was imaged as being "motherly," "homespun," and "common," rather than as a successful and wealthy entertainer. This enabled her listeners to "reappraise themselves more favorably than when drawing comparisons between themselves and the more glamorous stars."³²

This situation of relatively little prestige and large influence illustrates a point made earlier that although high prestige may give one large influence, and large influence may bring high prestige, or the two may follow together from a third factor--say wealth--the two may also operate independently.

The class placement of the realtor in the community image, then, serves to facilitate the legitimization of decisions on social issues made by the Board.

³¹ Lazarsfeld, op. cit., p. xxiii.

³² Merton, Mass Persuasion, op. cit., p. 148.

The third aspect of the community image of the Board was that negative reaction of those who felt the Board to be an obstacle in the way of community progress and improvement. This group was largely composed of those who had advocated certain changes, and had been opposed by the Board in the decision-making process either in the arena of authority or in the arena of public elections.

One person, active in many groups in the community, said there was nothing she "detested more in Grand Rapids than the Real Estate Board." Another claimed that she longed for some Pacific island where there would be no real estate group to contend with, but hastened to add that she had many friends among individual realtors. The CIO constantly calls the Board the "profit-hungry realty group." A past president of the Chamber of Commerce swore that "they will break the back of the Board" if it did not support a certain issue. However, he viewed the Board as a threat, not so much to community improvement, as to the Chamber's power position which he was striving to restore.

A newspaper editor called the Board "the most self-centered organization in town, reactionary, and always interested

in money.'" He contended that "non-taxpayers do not listen to them and more and more enlightened taxpayers are disregarding them."

Another person interviewed said, "They make me mad. They turn their unscrupulous advertising campaigns over to an advertising agency and think they can dodge responsibility that way. Any issue in which they involve themselves, you can bet they've got a selfish interest in."

Many other such reactions could be given, but these are sufficient to indicate that aspect of the community image which views the Board as an obstructionist group. In the sense that these feelings are translated into effective decisions against the Board, and they have not been to date, or in the sense that they are known to the Board and it shifts its positions in terms of them, they may be viewed as a limitation on the social power position. These limits will be discussed in the following chapter.

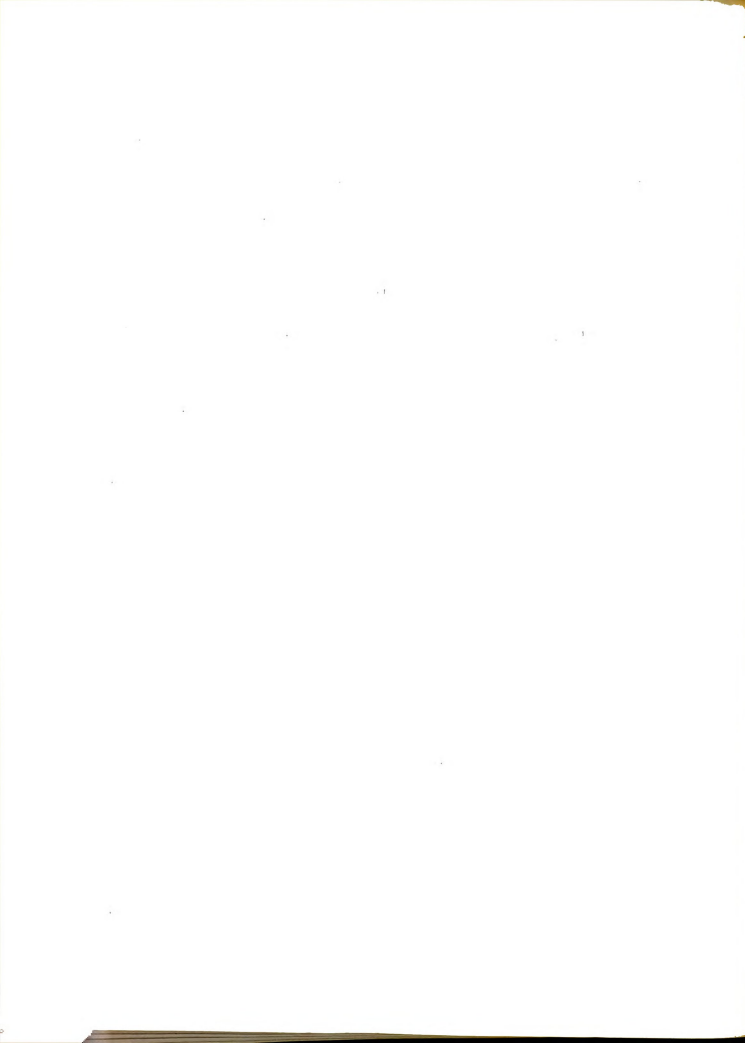
The interest here, however, is their implications for legitimation. Cognizance of this negative feeling has resulted in the Board placing more emphasis on legitimation through accentuating the positive. This may involve a series of advertisements stressing the community service of the Board, or taking

greater care to validate its position in accord with constructive values, a technique previously noted, so that its decisions are for something, rather than against something.

Legitimation may involve castigating the opposition with such terms as "do-gooders," "theorists," "impractical dreamers," "socialistic planners," and the like. Or it may involve disregarding the opponents as being an ineffectual minority.

There is one other implication for legitimation. A number of those who viewed the Board as being an obstructionist group in the community nevertheless realized the social power of the Board, and indicated that they had learned that "if you want something accomplished you had better check with the realtors first." When this is done--and it has been done by the board of education, the city commission, and other groups--the Board is placed in a position of influencing decisions before they become a matter of public concern, and hence the need for legitimation is obviated.

This trifaceted community image of the Real Estate Board is of importance in understanding the need for legitimation, as well as the validation techniques employed by the Board as an influential in the decision-making processes of the community.



This chapter has indicated the function of legitimation in the analysis of the social power position of the Board and the manipulation of symbols as a prime validation device. The use of alliances with other power blocs and the personal contacts and group memberships of individual realtors as an aspect of legitimation was described, and finally, the relationship between the community image and legitimation was developed.

There is a limit, however, to the social power position of the Board, and a point beyond which the best legitimation devices can no longer be successful. Some of the factors which serve to delineate the areas and extent of influence of the Board will be discussed in the next chapter.



CHAPTER VII

LIMITATIONS ON THE SOCIAL POWER POSITION

A. Introduction

The emphasis so far in this study has been on the extent and type of influence which the Real Estate Board exerted in determining community decisions and on the factors which have undergirded the power position. In the study of social power, it is also necessary to attempt to ascertain the limits placed on the exercise of that power, the lines of delineation and circumscription, the points beyond which the group of influence or authority dares not, or does not choose, to go, or beyond which it is unsuccessful in achieving its aims. So in this study it remains to analyze the limitations on the social power position of the Board.

Simmel's study of the effect of the subordinate on the superordinate has led him to conclude that all "leaders are also led," that all "leaders feel the determining and controlling re-action on the part of what seems to be a purely receptive

and guided mass."¹ To the extent that this is true it operates as a limiting factor in the social power process.

Alfred McClung Lee also referred to this factor when, after discussing how "power-seekers" are learning that they need some degree of popular good will or acceptance and acquiescence, he concluded: "Well-informed power-seekers who are not too frantic in their scramble have learned that there are limits and channels within which they must 'play the game' . . ."²

The fact that the Board has had the success it has had in the variety of community decisions indicated suggests both that the number of limitations on its power is not great, and that it has been aware of such limitations as were operative. Goldhamer and Shils asserted that when an attempt to exercise power fails, there may follow a "substitute power act," intended to attain the original aim of the first act.³ The only instance

¹ Kurt H. Wolff (trans.), The Sociology of Georg Simmel (Glencoe: Free Press, 1950), p. 185.

² Alfred McClung Lee, "Power-Seekers," in Alvin W. Gouldner (ed.), Studies in Leadership (New York: Harper & Bros., 1950), p. 676.

³ Herbert Goldhamer and Edward A. Shils, "Types of Power and Status," American Journal of Sociology, September, 1939, pp. 171 ff.

of this found in the present study was the use of referendum elections to place the locus of decision-making in the arena of public voting when attempts by the Board to influence a decision in the arena of authority had failed. In the arena of public elections, the Board has not had to resort to a substitute power act.

The limits to social power which might be expected to follow for a group which has had to seek support for its position from other power blocs in the community through compromise and negotiation were not found in the case of the Board. Since the Board has not been compelled to seek such assistance, it has not had to limit its power position in terms of the demands of any assisting power bloc.

Since the power of the Board is exercised directly in either the arena of authority or public elections, thus avoiding the need for intermediaries, another possible source of limitations is avoided. The use of intermediaries tends to diffuse social power to the extent that the power group is unable to control the go-betweens. Anything short of complete control would be a limit on the exercise of power.

It has been noted in the previous chapter that through legitimation techniques, the position of power is made to seem valid and right. To the extent that legitimation is successful, limits to social power are reduced. Difficulties in achieving legitimation, even though the legitimation may be successful in that a majority of voters approve of a given position, may act as a limit to the subsequent exercise of social power. Since deterrence is always difficult to measure, the ways in which the difficulties in achieving legitimation actually serve as limits to social power, and to what extent, will not be easily determined. The attempt here will be to describe some of the factors which have been found to be limitations on the social power of the Board, as well as those which are conceivably operative or may become operative, although they have not been found definitely to be so.

B. Financial Limits

Although the financial strength of the Board has previously been described as one of the bases for social power, the expenditures involved in maintaining a position of influence in the arenas of authority and public elections may act as a limit

on the exercise of power. This was not found to be operative in the present study. However, one member of the Board indicated that "several of us feel that we should save our money and not spend it on these election issues and on dinners for legislators and other officials."

A former member of the board of directors opposed spending money on study committees to "guide the city commission," because "the only way we can have a strong Board is to have a strong treasury." Other members persuaded him that the Board could be strong through "community leadership," as well as through a "fat bank account." When one member expressed concern that the Board would become too powerful in the community for its own good, a fellow realtor replied, "You don't have to worry about that. The boys are too eager to protect that balance in the bank."

Since the effectuation of Board decisions involves, on the one hand, a rather steady outlay of funds for maintaining the relationships with those in authority positions--through dinners and delegations, for example--and, on the other hand, larger expenditures when a controversial issue has become an active social concern; and since there is some hesitancy among Board

members to invest the funds of the organization in these channels, this may operate as a limit on the social power position. Whether it actually does become a limiting factor will probably depend on the size of the "bank balance" and what the Board feels the balance ought to be.

C. The Evasion of Issues

The Real Estate Board does not concern itself with every social issue that arises in the community. It has been indicated previously that any matter concerning housing, zoning, city planning, or taxes, whether in the authority arena or in the arena of public elections, will result in Board involvement. Since these are broad areas of interest, with taxes, for example, being basic to almost all civic and school improvement projects, the Board's concern for community issues is a large one.

However, the Board does not take a part in the determination of every controversial question, and this evasion of issues may be viewed as a self-imposed limit on the exercise of social power. Last year the community was faced with the question of charter revision. One of the realtors, active in the



Community Council which spearheaded the movement, sought Board support for the revision. The directors voted not to publicize its stand on the issue, and the Board did not enter that decision-making process. The reason given was that the Board did not feel it had anything "at stake" in the matter. It is to be noted in this connection that the Board never merely adopts resolutions of approval or disapproval of issues for public announcement. When it takes a public stand on a question, it also works for the effectuation of that stand in the community decision arenas.

After charter revision had been approved by the voters, one of the realtors who had been elected to the nine-man charter commission asked the Board to appoint a committee of realtors to act in an advisory capacity to the commission. This opportunity to exercise influence was turned down by the directors in a close vote because of the "fear that the public will think that we are getting into politics," according to one of them.

Another example of a community issue evaded by the Board was the proposal to enlarge the public museum as a war memorial project. Backed by an array of veterans' organizations and by other community groups, the proposal developed

considerable public interest. A request for Board approval resulted only in a decision of the directors not to oppose it.

A study of the reasons for the evasion of certain issues indicated that in no case did the Board avoid a controversial matter because of fear of failure: because of concern over the ability of the Board to be successful in effectuating its stand. Interviews with Board members and with others in the community, as well as the study of the official records, supported this conclusion. Further, in several issues where the Board had reason to feel that it might not be successful in influencing the decision because of the large array of community groups opposing the Board, it did not hesitate to enter the decision process. This was true of the first public housing campaign, and also the first school bond issue campaign.

Two factors were found to explain the evasion. In most instances issues were avoided because the Board felt that it had no interest in them, that they were of no important concern to the group. The charter revision issue is an example. Secondly, some issues were disregarded because the slight advantage of participation would be more than offset by the disadvantages resulting from arousing community suspicions. The charter

advisory committee proposal illustrates this factor. It is because of these considerations that this limit on social power is called a self-imposed one.

Although the evasion of certain issues is a limitation on the exercise of social power, it is not to be considered a limitation on the social power position. In fact, the way it has developed in the case of the Real Estate Board, it has served to strengthen the power position. The financial resources of the Board were not dissipated on a number of issues considered of minor importance by the Board, and were thus preserved for use in issues considered important. Further, the Board thereby avoided being labeled by the community as a group which constantly meddles in every issue, and legitimation for participation in other issues was thus facilitated. This is important in view of the fact that some groups in the community already contend that the Board is "overly active" in political endeavors. Hence, by limiting the exercise of social power, and thus conserving its resources of money, time, effort, and prestige, the Board has preserved the strength of its social power position.

D. Limits in the Authority Arena

The Real Estate Board was found to have been able to successfully influence the determination of community issues in the arena of public elections. No instance was found of the Board being defeated at the polls. However, this same pattern of success was not found when the Board attempted to influence decisions in the arena of authority, in the city commission, the board of education, and the county board of supervisors.

Frequently, the Board has lost decisions in these areas. Several times the city commission has passed ordinances providing for public housing over the protests of the Board. The city commission, and several times the board of education, have suggested tax millage increases for building programs, in spite of the efforts of the Board to defeat such action.

This inability of the Board to influence as effectively as it wished the decisions of the city commission, led to feelings of hostility toward the commission. This feeling was so pronounced that when a member of the board of directors was elected city commissioner, several realtors demanded that he resign as a director. "We felt that it was just impossible for him to ride two horses going in different directions," is the

way one of them put it. The realtor-commissioner justified himself by insisting that "it is time for us to give guidance to the other horse so that it will go in the right direction," and he was allowed to continue as a director.

Some of the resistance remained, however. As vice president of the Board, he was slated to become president the following year, but failed of election. The reason given most frequently by realtors interviewed was that the Board was still uncertain about this dual role. When several years later he was elected president, one of the realtors explained, "The Snyder award for civic activity was the factor which made him president." Just previous to the election of officers the National Association of Real Estate Boards had given the local Board the Clinton B. Snyder award for doing most for its community during the year. This legitimized the dual role for the Board.

Although the inability of the Board to influence a number of decisions by the city commission--even after the election of the realtor to the commission--may be considered a limit on the power position, the limiting effect has been offset by the use of the substitute power act of referendum elections. Through the referendum technique, the Board has been able to

shift the locus of decision-making to the arena of public elections, where it has always been successful.

A study of the legal possibilities of also using referendum votes on decisions taken by the county board of supervisors is now underway. The substitute power act of a referendum vote not only removes the restrictions on social power that result from failure in the authority arena, but it has resulted in the desire of those in authority positions to confer with the Board prior to making a decision. For example, the city commission did this with the zoning code, and the board of education did this with the second school bond campaign. This prior conferring enables the Board to exert influence on decision-making directly in the arena of authority.

This is not to suggest that the Board uses the substitute power act of a referendum in every case of defeat in the arena of authority, and that, therefore, the limit on social power is only apparent. Some defeats at the city commission level are not considered of enough importance to the value system of the realtors to warrant a resort to the referendum. When the city commission decided, for example, to establish a public parking authority to build and operate a public parking ramp, the Board

expressed its opposition. Since permissive state legislation was needed, the Board attempted to block it at the state level. The effort failed, including the attempt to obtain a veto from the governor. Prepared to oppose the movement on the local level through a referendum, the Board decided against this tactic "because of the high level of appointees to the parking authority."

The lack of success of the Board in influencing certain decisions in the arena of authority, then, constitutes a limit on the power position. The availability of the substitute power act of a referendum, which has proved to be so successful, however, reduces the significance of the limitation.

E. Competing Group Memberships

Most members of the Real Estate Board also have memberships in other organizations in the community, some of which have opposed stands of the Board on social issues. The question was posed as to what limits these competing allegiances imposed on the social power position of the Board.

Garceau's study of the library in the community revealed that in several cases public libraries had attempted to "parry the thrusts" of the real estate lobbies by choosing a realtor as

a library trustee. However, these were found to think first of taxes and second of the library needs.⁴

So in this study it was found that realtor memberships in other groups did not act as a limit on the influence position. For one thing, the other groups either did not have the mechanisms for controlling the membership that the Real Estate Board had, or were not as concerned with stressing conformity. Another factor involved was the ability of individual realtors to evade the clash of allegiances by placing responsibility for a given position on the Board or on the directors. Individual responsibility could be denied by shifting the focus to the organization.

In the case of one decision of the directors on school taxes, a realtor protested that it had been "railroaded through." One of the directors said, "We knew he was upset because he is a member of _____ group. We told him to figure out his sales in that school district and he would be ashamed of himself."¹ In this way, conformity to the Board's position was assured. Further, the realtor could go back to his group and tell

⁴ Oliver Garceau, The Public Library in the Political Process (New York: Columbia University Press, 1949), p. 131.

them that he had protested but that "they" wouldn't listen to him. He can now conform to the Board decision, which he must do as indicated earlier, and still avoid the criticism of his group by shifting the responsibility.

Although no evidence was found to support the thesis that realtor memberships in other groups limit the social power position of the Board, the possibilities that they may act as limits in future decisions, or that they actually have had a "hidden" limiting effect remain. By the latter is meant the possible effect that the value systems of these other groups have on individual members of the board of directors as they make their decisions. For example, to what extent does the fact that several of the directors have served on a school study committee which concluded that a school tax increase was necessary influence their vote on this matter at the directors' meeting? How much is their legitimation of approval of the tax increase in terms of real estate interests actually reflective of their participation in the study group?

Answers to these questions would be required before it could be said with certainty that realtor memberships in other

groups did not act to limit the exercise of social power of the Board.

F. Membership Apathy

Apathy or lack of interest on the part of the membership in Board activities may be considered as a possible limit on the social power position of the Board. General agreement was found that individual realtors show little interest in the activities of the Board, with the exception of the multiple-listing system on which they all are dependent for their business.

One director said, "We can't get the members to come out to a meeting unless we give them a free meal." The minutes contain a similar reference: "Since a large attendance is desired to discuss the issue, it was decided to make the meeting a dinner affair at Board expense." Another member said, "I never took any interest in what the Board did and rarely attended a meeting until I became a director."

However, this apathy was found to be more of an apparent limit than a real one. Since the board of directors, which meets weekly, has such extensive authority as described earlier, and since controls over individual members are as tight as indicated

above, and since finances are available to effectuate its decisions without resorting to membership assessment, an apathetic membership does not limit the ability of the Board to exercise its social power. In fact, to the extent that the members are content to have the directors run their affairs and complacently follow its lead, the social power position is strengthened.

G. The Limits of Personal Business Interests

The most effectively operative limits on the social power position of the Board were found to be those which resulted from the personal business interests of individual realtors. When a given stand of the Board on a controversial issue developed a negative public reaction which reflected itself in the ability of the realtor to sell a piece of property, there was agitation for a change in the position of the Board, either in terms of a reversal of position, or in terms of less active participation in shaping subsequent similar decisions.

One of the reasons frequently given by realtors for the Board's approving the second school bond issue after opposing the first was that they did not want to again face the criticisms of customers. One of them said, "I know I lost sales because

people blamed me for the fact that their kids were attending antiquated and crowded schools." Another said, "It didn't do us any good to oppose new schools, especially when the fire marshall said several of the schools were firetraps."

A number of realtors expressed concern over the fact that people were calling the Board a "negative" group which has stood in the way of community improvement. One put it this way: "We have to be careful. A lot of people--and many important people--are beginning to hate the Board."

It is because of this awareness of a negative community reaction that realtors have mixed feelings about exercising the Board's social power. There is a fear that opinions that "the Board is running the town" or that "the Board controls city hall" will increase to the detriment of the business of the individual realtor. It is this negative valuation placed on social power that makes some realtors hesitant to approve of the realtor-commissioner combination and of various study committees to "guide the city commission."

This, then, indicates an awareness that there is a point in the exercise of social power beyond which the Board dares not go. To the extent that this awareness results in the avoidance

of participation in determining social issues or in a shift in the kinds of stands the Board takes on decisions in the community, it acts as a limitation on the social power position.

CHAPTER VIII

SUMMARY ANALYSIS AND CONCLUSIONS

A. Summary of Findings

This study has been an attempt to use the theoretical framework of social power in the understanding of the decision-making processes on the community level. Social power is considered to be the concentration of influence and authority within a social system for making decisions which have consequences for the members of that social system.

Within this framework the main focus has been on the role of the influential in community decision-making; that is, on the manner in which those who lack the formal prerogatives for engaging in the making of social decisions actually participate in the determination of controversial issues. The authority aspect of social power, the function of those holding formal office, has been considered only in so far as it was involved with the operation of the influentials.

The purpose was not to study a given community or a given social power organization, but through the analysis of the

ways in which such an organization shared in the determination of decisions in its community, to arrive at generalizations concerning the role of the influential in the shaping of community decisions, the social capital back of such a position of influence, the legitimation of the social power position, the manipulation of symbols in defining situations in terms of the value systems of the community, and the limitations on social power groups.

There has been a number of efforts to develop a theoretical framework of social power, but most of these still await empirical application and validation. In the main, they have not been a stimulus to research. On the other hand, considerable efforts in the area of community research have been merely preoccupations with empirical manipulations with concomitant disregard for the derivation of meaningful generalizations which can be verified in subsequent research. This study has attempted to test a theoretical conceptualization of social power in the community toward the formulation of propositions which lend themselves to testing in further research situations.

With these ends in view, the study focused on the Real Estate Board as a system of influence in Grand Rapids. The extent and the intensity of the efforts of the Board to shape

community decisions were scrutinized, and the etiological factors in this process were analyzed. The aim was to achieve understanding through depth, rather than completeness through breadth.

A study of the history of the Board revealed that it had through the years strengthened its social cohesiveness by continual revisions of its structure. These organizational shifts provided the Board with a framework having financial strength, effective techniques for control of its membership, and the centralization of policy-making in a small group. From its origin in the last part of the previous century, the Board was found to have taken an active interest in the decisions of the community. Through the years the Board accelerated its concern with the determination of social issues and the shaping of the pattern of community development so that by the late 1940's it was effectively operative in making decisions in both the arena of authority and the arena of public elections. It was also found that in the latter arena, the Board has never failed to win a decision, regardless of the patterning of opposing power blocs. No other group in the community was able to successfully challenge the Board in this arena, although many had tried. The



Board had lost some decisions in the authority arena, but through the utilization of the substitute power act of a referendum election, it had ultimately gained its ends.

Several community issues of the last few years in which the Board had been involved were studied intensively to gain an understanding of the reasons for the successful exercise of social power. Since the study was not concerned with a description of the Board as an influential in the community, but with an analysis of the basic factors in such a social power position, the concern was with analyzing the "why" and the "how" of the exercise of that social power in the processes of decision-making. A number of factors were found to be important in the explanation.

First, the Board was a socially cohesive unit with strong in-group solidarity. Effective techniques were utilized to control the membership and to weld it into a unified organization to face the out-groups in the arenas of decision-making. Once an internal decision was made on a social issue, the Board brooked no opposition from within, and made use of devices to "prod" the members when there were signs of apathy. The code of ethics, its effectiveness assured through the disciplinary methods

provided and used, forbade public criticisms by one realtor of another, and disputes were to be handled within the organization, rather than by resorting to the courts. The Board has gained court sanction for its control over its membership.

Second, the multiple-listing system of real estate transactions provided the Board with financial resources which enable it to finance its participation in the decision-making arenas of authority and elections. Further, it had developed and stimulated pride in the organization since its effective operation of the system gained for the Board national recognition. Because the Board owns the multiple-listing system, and the business operations of the realtors depend on the use of the system, the Board had in it a powerful technique for social control. Suspension or ouster from membership is more than exclusion from a social organization; it affects the business operations of the offending member. Again, the responsibility for all decisions concerning the multiple-listing system was placed in the nine-man board of directors. Since the realtors were accustomed to comply with these decisions, there was a state of readiness to comply with decisions of the directors on social issues. This meant that the directors could take a stand for

the group and demand compliance, and, since they also had control over finances, effectuate that stand in the community decision-making processes. The multiple-listing system, then, has provided the Board with a mode of operation which enabled it to make immediate decisions on issues that arise, and to immediately implement them.

Third, the cumulative nature of the social power of the Board was found to be of importance. Since throughout its history the Board had been involved in shaping community decisions, the community was accustomed to its participation. Through the years the Board had built up a set of relationships with those in authority positions which could be used as social capital in any specific decision-making effort. From experience the Board had developed a set of techniques which could be relied upon in the decision arenas. Through trial and error the techniques had been redesigned, altered, improved, sharpened. Further, because of its historic concern with community issues and its successful participation in shaping them, those desiring a certain decision in the community were found to be increasingly approaching the Board first to seek its support. This tended to reinforce the power position.

Fourth, the knowledge of the Board concerning a large array of social issues served as social capital in the decision process. Better than any other power bloc in the community, the Board knew taxes, zoning, city planning, housing; and knowledge in these areas is basic to a whole array of decisions regarding community development. Further, the Board had the information resources of the state and national real estate organizations.

Fifth, the Board was found to be aware of, and sensitive to, the value systems of the community, and had developed techniques for identifying itself with these value systems. The contacts of realtors with various publics had both breadth and the depth of intimacy which formed the basis for this ability to tune in on the various value systems in the community.

Sixth, realtors were found to occupy important elective and appointive positions in the authority structure of the community which facilitated the effectuation of its decisions in the authority arena.

Seventh, the Board was found to have developed skills in handling the opposing power blocs, and to have been particularly

effective in circumventing the opposition of the mass media of communication.

The social function of legitimation for a social power position was found to be important. Since social power is generally assigned a negative value in the American culture, with only limited ethical sanctions, legitimation is highly necessary for the successful exercise of that power. Somehow the shaping of decisions by the power group must be made to seem right and valid to the groups involved. All of this was found to be more particularly true of the influence component of social power than for the authority component. Since the Board was an influential, legitimation was of prime importance. In this connection, symbol manipulation was found to have been extensively used, and to have served at least two social functions. First, it enabled the Board to evade specific issues which were considered to be controversial. Through symbol manipulation, the rationality processes could be short-circuited by redefining the situation so that the issue itself was sidetracked in favor of a pseudo issue. From this, it follows that it would be unrealistic to judge the way a community feels about an issue on the basis of its decision on the issue, because, if the manipulation of

symbols has been successful, the community has not reacted to the issue, but to the symbols used. This technique also tended to deflect criticism from the power group and to obscure the function of self-interest in a particular issue since the issue has been redefined.

The second social function of symbol manipulation was to provide a common bond or basis for agreement for groups with disparate interests. As a group uses symbols which tend to raise the level of abstraction, diverting attention from the concrete issues, the larger the number of supporters it will have. Divergencies which might arise as to any aspect of the concrete situation will be muted as the focus is shifted to the higher level of abstraction through symbol manipulation.

A legitimation device rarely used by the Board, but used effectively on at least two occasions, involved shifting alliances with other community groups where there was some doubt as to the willingness of the publics concerned to accept the advice of the Board. The meager use of this technique not only indicates the strength of the social power position of the Board, but also meant that the Board had not been forced to compromise its position, which is often the result of such alliances.



The Board also validated its power position through contacts of individual realtors with the whole gamut of ready-made groups of the community and the personal, face-to-face contacts of the realtors. This was facilitated by the fact that the Board's membership was drawn from a wide array of ethnic and religious groups, and that the public image of the Board was generally that of middle-class placement.

All of these factors enabled the Board to legitimize its social power position in terms of your interests, rather than its own interests. Because of this, the Board never had to resort to the roundabout legitimation of "what is good for us is good for the community," which so many other power blocs have attempted to use. The Board appealed directly to the community good, and did not ask the community to seek its good through the mediation of the Board.

In conclusion, the limits on the exercise of social power were evaluated. The limitations which ordinarily follow from alliances with other power blocs were not found in this case, since the Board made such meager use of these alliances and was ready to forsake them, rather than compromise its position. The apparent limitation which would ordinarily be expected to

follow from the membership apathy which characterized the Board was not found to be actually a limit, since the board of directors had the power of decision, the control of finances to effectuate the decision, and the ability to force compliance upon the members.

The concern of some members for saving money and protecting the Board treasury instead of spending it on influencing community decisions was not found to have been a limiting factor, but it may at any time become such. Competing group interests of realtors was also found to be of little importance in limiting the exercise of social power. The other groups lacked the control mechanisms over membership which the Board employed, and further, the members could escape blame from their other groups for a given decision by placing responsibility on the Board, on the directors, or on the "other" directors.

In a sense, the evasion of certain community issues by the Board may be viewed as a limit on the exercise of social power. However, in such cases the Board has felt it had no important interest in the decision. In no case did the Board avoid an issue in which it felt it had a real interest, regardless of the array of opposing power groups. The defeats suffered

by the Board in the authority arena may be considered limits on the power position, but the successful utilization of the substitute power act of a referendum vote serves to diminish the importance of this factor.

The factor found to be of greatest importance in limiting the social power position of the Board was the threat to personal business interests of realtors of certain decisions of the group. When a Board decision had aroused negative community reaction which expressed itself in a hesitancy to deal with a realtor, or in a criticism of him by a client, there has been indication of a demand for either a change in Board policy, or for avoiding the issue, and evidence that this demand has been heeded in some cases. One official of the organization put it this way: "The Board could be of much greater influence in this community if the members would only put the interests of the Board ahead of their personal business interests."

B. Derivative Conclusions

The primary aim of this study has not been to shed light on the specific community in which the study was made, nor to increase understanding of the Real Estate Board. Rather, the

chief concern has been to arrive at generalizations about the social power aspects of community life, and more specifically, to derive conclusions concerning the influence ingredient of social power. These conclusions are not considered to be cloaked with finality, but to be tentative offerings which may be submitted to subsequent empirical testing for validation, revision, or rejection. In this way the systematization of meaningful theoretical knowledge will be facilitated, and there can be the development of units which can be used in any context for analyzing human behavior. The data thus obtained will be additive, the general propositions lending themselves to a cumulative theory of social power.

From this study it is apparent that the locus of decision-making in a community is affected by the various constellations of influence, as well as by the systems of authority. From this it follows that any adequate analysis of the way by which a community comes to its decisions will necessitate an investigation of the formal or informal structures of influence. Any study of the authority systems in the community which disregards the interplay of influence factors in the making of decisions on social issues will have neglected a meaningful area of concern.

Any study of voting habits of a populace to understand trends of thinking and feeling about controversial questions without taking into account the symbol manipulation by the groups of influence in the community will similarly be inadequate. The social power framework, then, has promise for a more adequate understanding of community decision-making processes.

The locus of social power may be here for one kind of decision and there for another, and may be here for one community and there for another. These shifting loci of power are to be expected in a complex, specialized, technical culture with a plethora of groups organized on a special interest basis.

Another conclusion flowing from this study is that an organized minority can control an unorganized majority. Others have also found this to be true, but it is particularly important in the American culture, where only limited social sanction supports this control by minority. That the minority exercising its control recognized and was sensitive to this negative valuation placed on its power position was also indicated in the study. Steps were taken by the power group to protect it from the undesirable consequences of this social disapproval.

The study indicated the importance of distinguishing between prestige and influence. Although it is true that in some cases prestige is the basis for a position of influence, in others, that a position of influence results in prestige achievement, and in still others, that both prestige and influence may result from a third factor, such as wealth, it is also true that the two may have no relationship to each other. In the present study it was found that the power position of the Board was not based on prestige, nor did the exercise of social power bring prestige to the group or to the individual members.

The independent operation of wealth and influence was also indicated by the study. Although wealth at times is the basis for a power position, and although power at other times brings wealth, and in other instances, the two may result from a third factor, wealth and influence were not found to be directly related in the case of the Real Estate Board. In a number of community studies, wealth, prestige, and power have been assumed to coincide. Although there are interrelationships, this study suggests that distinctions between the three are crucial. It is important to distinguish what conversions are possible between these three in any community.

In this study, it was deemed necessary to distinguish between the exercise of social power in the arena of authority and in the arena of public elections. However, it was apparent that interrelationships were important. To the extent that a power group is able to influence community decisions in the arena of authority, there is no need for entering the arena of public elections. This has considerable advantage for the power group, since it does not draw the public attention that participation in the election arena does, the hazard of developing hostile reactions is diminished, and the need for legitimation is reduced.

On the other hand, to the extent that a group can exercise influence on community decisions in the arena of elections, it enhances its ability to exercise influence in the authority arena. The substitute power act of a referendum acts as social capital with which to negotiate authority decisions. Further, those in authority positions, desiring a certain community decision, will increasingly confer ahead of time with the power group which has been effective in the arena of elections. In this way, too, the power position is enhanced, and again, with reduction of the hazard of negative public reaction.

The study indicates that a group may occupy a position of social power and yet rarely play the role of initiator of decisions. With the exception of one issue twenty years ago, the Real Estate Board had exercised its influence in the election arena without initiating a decision. The group confined its activity to influencing decisions as the issues became a matter of public interest. Undoubtedly involved in this situation was the general feeling of satisfaction of the group with the status quo.

The necessity for restricting the symbols of power is evident from the findings. At times, the members of the group were instructed to avoid the "realtor" designation in attempts to influence decisions. The election of a realtor to the city commission was considered a threat to the group. This indicates the tendency to minimize the formal organization of power structures, and the fact that social power is depreciated as an approved end. Social standards demand this restricting of the symbols of power and of the open aspirations of a group to attain power. In contrast to the conspicuous display of wealth, there are cultural mandates to play down the possession of power and to disguise power ends as means defined in terms of the goal of the welfare of the community. The power group

is thus vulnerable to exposure and to attack as the result of an indignant public.

The study indicates some of the bases for a position of influence or the social capital which the power group could use to negotiate its decisions. Found to be important were such things as financial resources, close control over the membership, a public image that the group incarnates those values esteemed in the community, previous patterns of success, ideological skills including the ability to know and manipulate appropriate community symbols, technical information, intimate access to those in authority positions, and time to invest in the making of community decisions.

It is conceivable that other bases may support a power position in other communities. Tawney concludes that the "foundations of power vary from age to age, with the interests which move men, and the aspects of life to which they attach a preponderant importance."¹¹ He suggests that power has had its source in religion, in military prowess and prestige, in the strength of professional organization, and in the control of

certain forms of knowledge and skill, such as those of the medicine man and the lawyer.¹

However, it is highly probable that the factors found operative in the present study will be observed in varying degrees in the analysis of power groups in this country at the present time.

Although the local features of the power position described may be unique, the processes involved are likely to be found in many communities. It is because of this that the social power framework can facilitate the understanding of community behavior. Brownell believed that communities in the United States are losing their "organic solidarity," and that it is being replaced by what he calls "agglutinative solidarity," a kind of coherence found among members of an anonymous public. "The sense of community does not exist in these publics," he asserts, "and the personal give and take, the mutuality of living, are replaced by power."² Although a number of

¹ R. H. Tawney, Equality (New York: Harcourt, Brace Co., 1931), p. 230.

² Baker Brownell, The Human Community (New York: Harper & Bros., 1950), p. 129.

frameworks for studying communities have been suggested and attempted, including social class stratification and institutional structures, most of these have been primarily concerned with the social structure, rather than with the dynamics of social action. This concern with the on-going processes of group interaction is a contribution that the framework of social power provides the student of modern communities.

The role of influentials has high cynosure in the current American scene. Newspaper and radio commentators frequently refer to it as the "influence industry." Others have suggested that the present pattern is supportive of the Dale Carnegie techniques of winning friends and influencing people, rather than the traditional Andrew Carnegie success formula of hard work. Today we tend to pay off on negotiators. Yet, the image of the negotiator is frequently one of a sinister figure engaged in conspiracy, conniving, and bribery, to the detriment of the public welfare. This needs to be replaced with a more sociologically accurate one of the networks of influence as a basic ingredient of community life. Studies are needed of these processes of influence in the full scope of our social system, including schools, factories, churches, voluntary associations, and the like.

It is important also to evaluate the social functions of influence. While formal office is generally considered to be the proper locus of authority, and while there is a tendency to hold suspect outside power systems, it is necessary to observe the contributions that influence can make in modern community life. The tendency toward centralization of authority has decreased the effectiveness of individuals and scattered groups in the community whose needs may not be adequately satisfied by the legally devised and culturally approved social structures. It would be illuminating to know to what extent these needs are met by the various constellations of influence, and what effect this has had on the rise of individuals who are experts in influence. Does this result in the construction of a new ladder for upward mobility alongside those traditionally recognized in the social structure? The complexity and interdependence of society, characterized by a high division of labor and high incidence of mobility with concomitant growth of anonymity, combined with differential rates of social participation, has necessitate^d the development of new techniques through which the decision process can take place. This indicates that although social power systems are generally denied a legitimate place in the social

structure, they serve certain social functions, which requires at least a modicum of acquiescence for them as a practical necessity.

An important result of the study was the established validity of the conceptual framework. One of the needs in the area of social power theory was a clarification of concepts and the development of units which could be used in empirical research. Throughout the research the concepts were found to be workable. The distinctions between influence and authority ingredients of social power were found to be valid and meaningful. The distinctions between the two arenas of decision-making, formal office and public elections, were found to not only facilitate the research, but to also be productive of insightful generalizations.

Social power was found to be a unit which lends itself to the prerequisites of work within theory design and empirical research. It was not only found to be a concept which lent itself to empirical testing, but one which avoided the danger of sheer preoccupation with empiricism. Meaningful generalizations applicable to theory and research could be derived.

C. Further Research Needs

The previous section concerning generalizations following from the study also referred to some areas which call for further research. Some other areas for possible research will be suggested in this section.

The Real Estate Board was found to be a key influential in the community studied. It would be helpful to study other communities to determine whether some group occupies this key position of influence, and which group it is; or whether the power to determine community decisions is scattered among several groups, each effective in a particular area of decisions; or combined into loose alliances which shift with the type of decision involved.

Several bases for the power position of the Board were found to be important. Are these same bases important in other communities, or does the type of social capital vary from one area to another? Are other communities as fearful of a power group, and does this limited social sanction for influence generally hold true? Research is needed on the patterning of power and the normative order, on the distribution of sentiments

concerning the systems of power and the imagery of these structures held by groups in various positions in the community.

It is important for the understanding of social change to learn whether those involved in action programs are more cognizant of the importance of working through the channels of influence than they were found to be in Grand Rapids, or is there still a naive preoccupation with the formal authority systems as the way to get a change effectuated?

The study of cross-pressures as they related to social power is needed. How are the members of a social system related to the concentration of power, and how does the person who is linked to several competing power groups determine his allegiances? To what extent do competing memberships limit the power position of a group, or what are the modes of reconciliation available to members caught in these cross-pressures?

Research is needed as to the most typical power model in American communities. Frequently, this model is conceived of being the diagram of a pyramid with hierarchical distribution of power, supreme power concentrated at the apex and a powerless base. Although there is a gradient element in the power structure, and although some communities may roughly approximate

such a power model, there is evidence that other relationships are obscured by such a diagrammatic presentation. Do shifting loci of power indicate constantly restructured pyramids, or do they indicate a need for a more adequate power model? The powerless base idea does not seem to follow from the present study, where interrelationships were found between the group of influence and the influenced. There was evidence to support Simmel's contention that leaders are also led, and that there is interaction between superordinates and subordinates.

Although the present study revealed an illustration of a mild type of power monopoly, it is necessary to study the patterns of informal arrangements in other communities to determine whether they comprise constellations of power structures which are lateral, rather than hierarchical, in nature. Close examination needs to be made of groups which seem to have a strong power position, to determine the actual, if hidden from obvious view, limits on the exercise of that power, and the legitimization devices which are used to make the power position seem valid. In other words, the areas of vulnerability of the power group need to be indicated.

It would be helpful to know with what deliberation groups of power attempt to strengthen their power position, and what techniques are utilized. Is it accomplished through strengthening the group's social capital resources, through shifting alliances with other groups, or through appeal to large sectors of the population, who are latent as far as the power struggle is concerned, by means of general elections?

The study of aspects of community life in terms of the structuring of social power has proved fruitful in the several situations where it has been used. The dimensions of the contributions of this social power framework to sociological theory and research can be delineated only after further explorations have been made.

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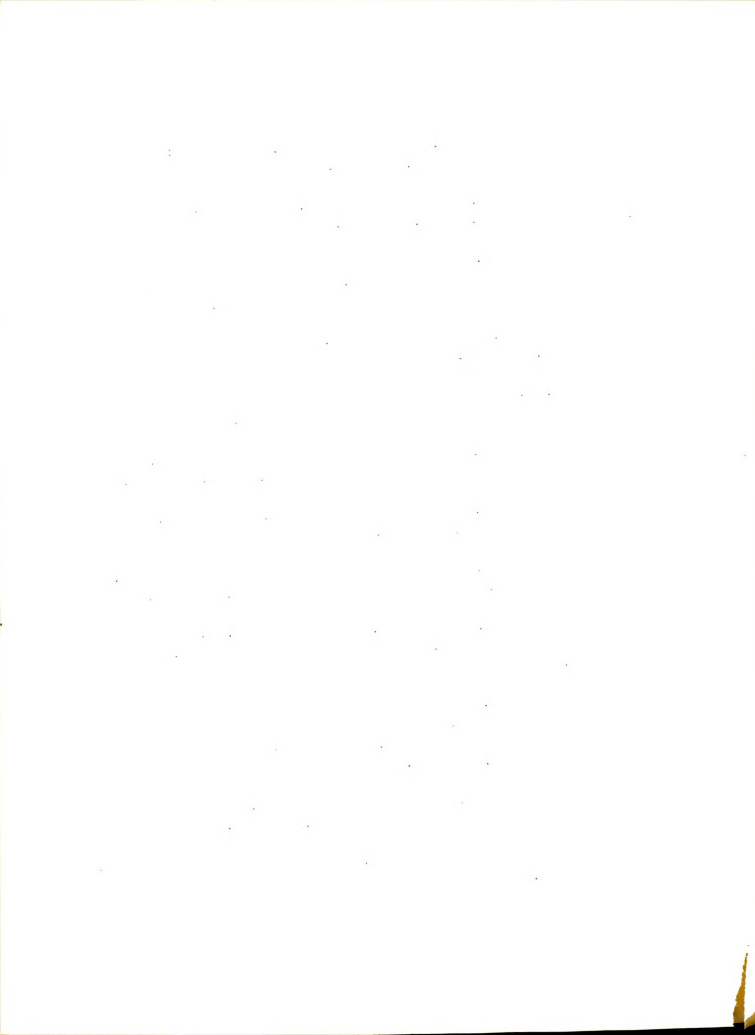
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METHODOLOGICAL APPENDIX

METHODOLOGICAL APPENDIX

In a study of this kind, where the principal emphasis is on exploring relationships and the nature of the variables in a case study setting, comparatively little stress is placed on the gathering of data which can be handled quantitatively.

However, as indicated in the methodological section of Chapter I, some data were gathered which were amenable to quantitative treatment. For the benefit of those interested in knowing the nature of the questions asked and where the responses fell this appendix is included.

A. The Self-image

The procedure for ascertaining the self-image of the Board has been described in Chapter I. Partially structured interviews were held with forty of the 424 members of the Board. This group was made up of a representative sample of the remainder of the members, drawn in a manner indicated in Chapter I.

The following list of questions was devised to act as a guide in focusing the interview:

1. Do you feel that the Board acts as an initiator of decisions or that it simply attempts to shape a decision once an issue becomes of public concern?

2. How would you rank the following groups as to their ability to influence large decisions in the community?

☐ Chamber of Commerce

☐ Luncheon clubs

☐ Newspapers

☐ Council of Churches

☐ Community Council

☐ Organized labor

☐ Real Estate Board

☐ Veterans organizations

☐ Other (specify)

3. How do you feel about the influence exercised by the Board in determining community decisions?

☐ It is harmful

☐ Good

☐ Don't know

4. Do you think that the members of the Board are aware of the power of the Board to influence community decisions?

☐ Most of them

☐ Some of them

☐ None of them

☐ Don't know

5. Do you think people in the community generally are aware of this power to influence decisions?

☐ Most of them

☐ Some of them

☐ None of them

☐ Don't know

6. Do you feel that the expenditure of Board money to influence community decisions is a wise use of the funds?

☐ Yes

☐ No

☐ Most of the time

☐ Don't know

7. Does the Board ever ask other groups to aid it in fighting for or against an issue?

☐ Often

☐ Rarely

☐ Sometime

☐ Never

8. Should the Board strive harder than it does at present to influence community decisions?

☐ Yes

☐ No

☐ Don't know

The first question was a factual one, the answer to which could also be obtained from the records, and the complete agreement of the informants was to be expected. All of them felt that with only one or two exceptions the Board confined itself to taking stands on current issues. The Board was not considered to be an initiator of decisions.

The answers to the second question revealed wide disagreement as to which group was most able to influence decisions, ranging all the way from the Chamber of Commerce to organized

labor. However, only 20 per cent of the realtors listed the Board as being the most influential. The Board was considered to be second or third most influential by 25 per cent of the respondents.

Generally, the realtors approved of the influence of the Board, with 80 per cent feeling that it was "a good thing," 7.5 per cent feeling that it was "harmful," and 12.5 per cent responding that they "didn't know."

Only 27.5 per cent of the realtors felt that "most" of the members were aware of the power of the Board to influence decisions, while the remaining 72.5 per cent answered that "some" of the members had this awareness.

On the other hand, 22.5 per cent of the realtors felt that "most" of the people in the community were aware of the power of the Board, with 55 per cent feeling that "some" of the people were, and another 22.5 per cent feeling "none" of them were.

As to the wisdom of spending Board funds for influencing community decisions, 72.5 per cent responded "yes," 22.5 per cent "most of the time," and 5 per cent "didn't know." No one indicated that it was not a wise expenditure.

All of the realtors indicated that the Board "rarely" asked other groups to aid it in fighting for or against an issue. This also was a factual question and one in which agreement could be expected.

The realtors generally felt that the Board should not strive harder to influence decisions, 82.5 per cent answering "no," 5 per cent "yes," and 12.5 per cent replying "didn't know."

It is to be understood that these questions were used as points of departure for the gathering of extensive qualitative data on the types of images which these informants had of the Board as an influential in the community. The interviews with the more active members of the Board lasted two or three hours. Appropriate excerpts from these interviews have been quoted in the study.

B. The Community Image of the Board

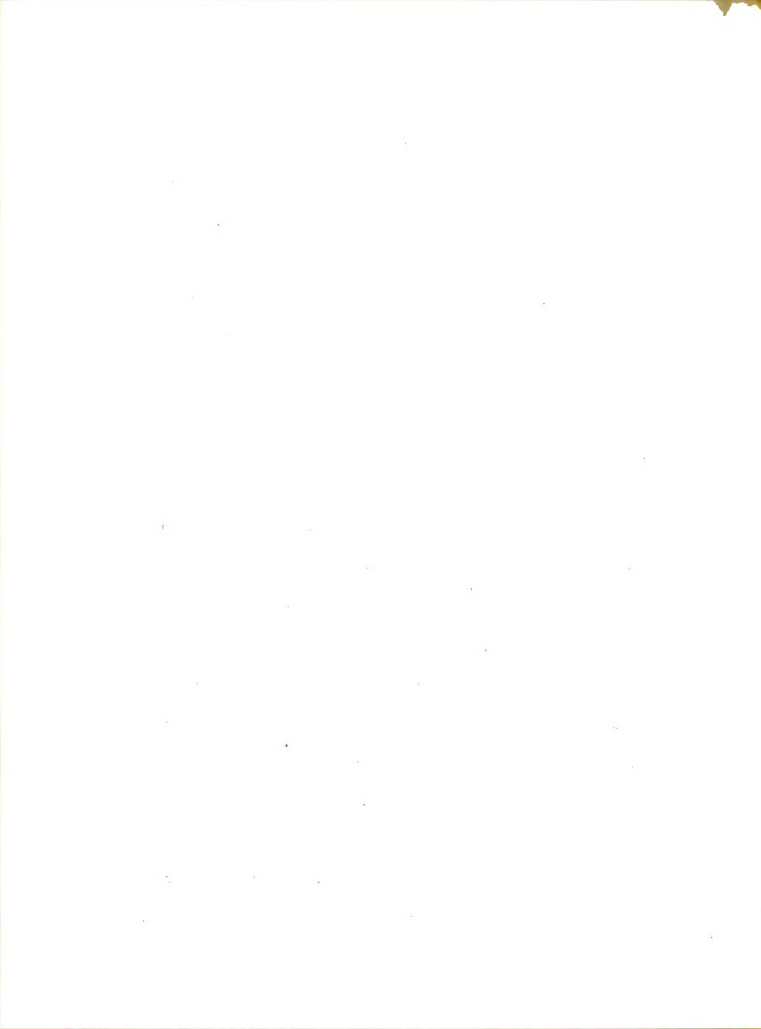
The procedure for determining the community image of the Board was described in the methodological section of Chapter I. A list of fifty people, most of whom had been active in the community decision processes, was devised for interviewing.

These people, in the main, occupied leadership positions as indicated on page 48, and were considered to be best informed as to the dynamics of the community decision process.

Included in this group were such people as the city planning director, president of the city commission, editor of the largest newspaper, head of the school bond drive campaign, representatives of the Chamber of Commerce, the League of Women Voters, the Community Council, the Metropolitan Grand Rapids Development Association, the city manager, the superintendent of schools, executive secretary of the Council of Social Agencies and the Community Chest, officers of a citizens' better government group which has controlled city elections for four years, the executive of the Council of Churches, the head of the CIO, and others.

These people all were asked to indicate the groups in the community which played a key role in determining broad local decisions and what their reaction was to the activity of the Board in influencing decisions.

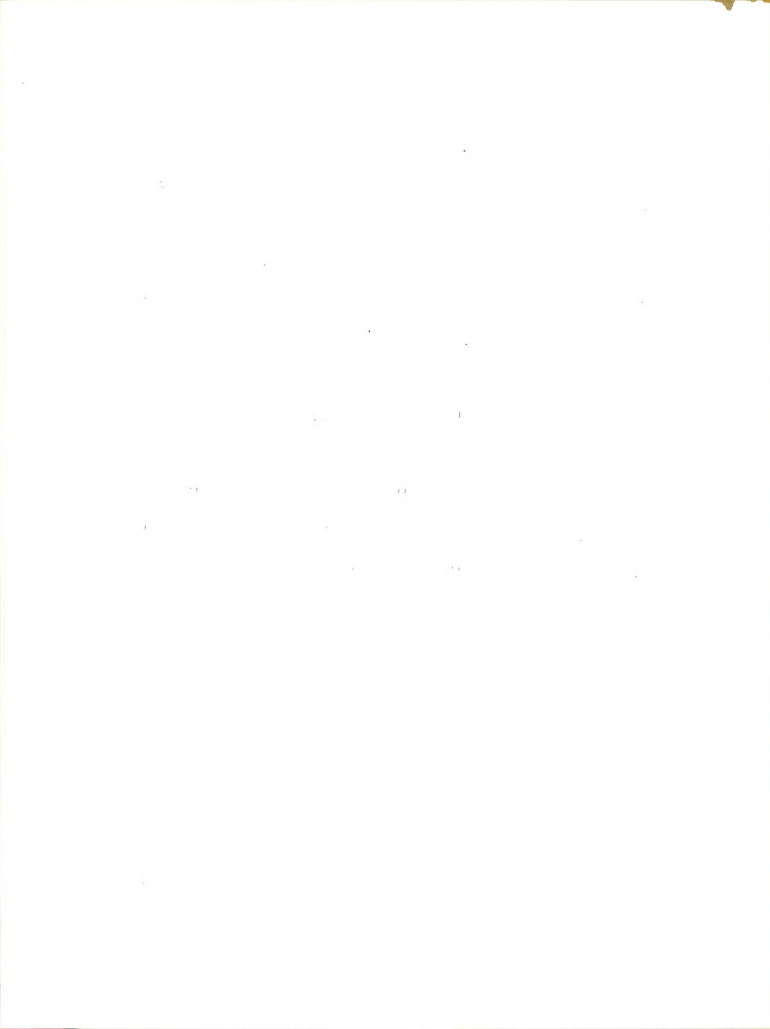
Only 20 per cent of the informants named the Board as the most influential group at the outset. Other groups frequently mentioned were the Chamber of Commerce, the newspapers, and



the Community Council. However, when the respondents who did not name the Board were asked to cite illustrations or were asked to think of specific community decisions, many of them changed their choice to the Real Estate Board. Including this group of changers, 88 per cent of the group named the Board as the most influential.

This latter group was then asked to express their attitudes toward the Board's power position. The majority of them had negative images about the Board, with 68.2 per cent indicating that the influence was "not in the best interest" of the community, 18.2 per cent that it was "in the best interest," and 13.6 per cent replying "don't know."

These two questions were the only ones predetermined and were followed by further questions, the nature of which varied with the person being interviewed. Many interviews lasted for several hours. Those with the school officials involved probing into the shifts in the evaluation of the influence of the Board by the school administration, and the tactical maneuvers which resulted from this new evaluation. The nondirective approach was used with the informant being encouraged to talk freely. Most of the material has been cited in the study. Some of it



had to be treated confidentially because of the nature of the revelation, and could, therefore, not be presented in the body of the thesis.

Similarly, interviews with city officials as to the influence of the Board in establishing city zoning regulations and negating commission action through referendum elections involved open-ended questions unique to the situation and these responses have been cited in the context of the study.



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