



UNDER THE INFLUENCE: STAKEHOLDERS, STRATEGY AND CORPORATE SOCIAL RESPONSIBILITY IN THE DRINKS INDUSTRY

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ABSTRACT

Corporations operating in the 21st century play an active role in internalizing environmental and social concerns into their enterprise. The field of corporate social responsibility (CSR) appears to have become particularly important for those corporations in the alcohol industry, following recent escalation in alcohol fuelled damage to society. Motivated by this contemporary issue, this study offers a preliminary exploration of the CSR issues being addressed by alcohol beverage corporations, bearing in mind that "firms in notorious industries.....or those with obvious public contact are more likely to be pressed for involvement in social initiatives" (Handy 2002, p. 12) which suggests that the alcohol beverage sector provides an ideal focus for the study of social responsibility, given its notoriety and prominence in the public eye. CSR is increasingly high on boardroom agendas in the alcoholic drinks industry and companies are keen to communicate their commitment to CSR to their shareholders, customers, and employees as well as to the government and public at large. Companies operating in the alcoholic beverages industry are prone to particular sensitiveness towards social issues, due to the particular nature and possible impacts of their products and activities.

The research question being explored in this paper is whether CSR is part of the core considerations in strategic decision making of the firm. If not, what are the reasons behind those organizations developing CSR programmes? In the absence of a coherent notion of the concept of CSR, what does CSR mean to these companies? Without a clear understanding of the meaning of this bandied about concept, how are these companies designing their responses or taking action in this area? Essentially, companies will wish to respond to and contend with their stakeholders in a strategic way without becoming weaker in terms of competitiveness. The ultimate aim of this research is to shed more light on these issues by exploring CSR strategies of firms competing in the alcoholic beverages sector. In particular the aim is to identify whether the drivers of CSR are strategic, or represent a forced response to stakeholder pressure.

The research concludes that these CSR strategies are entirely consonant with standard competitive responses: "strategic issues emerge from the way the corporation chooses or is forced to relate to its external or internal environments" (Bryson, 1988, p. 56). Consequently, an articulated relationship between business and social ideologies is a strategic issue in line with the issues management approach attributed to Ansoff (1980) which focuses attention on the recognition and resolution of strategic issues which he defines as "forthcoming developments," either inside or outside the organization that are likely to have an important impact on the ability of the enterprise to meet its objectives (1980, p. 133).