

Achieving CSR through Stakeholder Management: An Empirical Investigation

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ABSTRACT

In recent years, organisations have been encouraged to shift their focus from one based solely on profits to one that recognises the importance of the interplay between business and society. However, despite this growing interest our knowledge and understanding of CSR remains limited. There are still significant ambiguities in both theory and practice regarding its definition, scope and business case; lack of knowledge about what works, when, for whom and under what circumstances; and how CSR can be implemented, embedded and sustained in an organisation.

One emerging theme from the literature is that stakeholder management has something to offer to these discussions as one of the most practical ways to implement CSR and given its close relationship with corporate strategy. Whilst this has intuitive appeal, the relationships and linkages between stakeholder management and CSR remain poorly understood. More specifically, understanding and evaluating the processes by which stakeholder relations are managed, how managers prioritise amongst different and sometimes competing stakeholder interests and how (whether and if) stakeholder management helps organisations progress their CSR efforts remain under-explored. In some cases, the evidence presented is confusing or contradictory.

In response, this paper reports the findings from an ongoing empirical study that examines and evaluates the relationships and potential and actual synergies between stakeholder management and CSR. Using a qualitative research design, we present an in-depth analysis of the experiences of three 'best practice' case study organisations who are actively engaged in CSR activities and striving, with varying degrees of success, to adopt a more proactive approach to managing their relationships with stakeholders. Semi-structured interviews and a number of focus groups were conducted with all levels of management and a range of stakeholders including employees, customers, suppliers, regulators etc. to better understand their perceptions and experiences.

What has emerged from the findings is that senior managers acknowledged the importance of building stronger and more effective relationships with all stakeholders to allow them to maintain and build upon their current CSR efforts. However, they conceded that their emphasis on stakeholder management was really only in its infancy and many fundamental issues still had to be resolved. For instance, in all three organisations there was a tendency to treat each stakeholder group as a discrete entity and try and accommodate their specific concerns rather than adopting a more holistic overview. Further concern was expressed amongst all the stakeholders that some CSR initiatives appeared to be more cosmetic PR activities that required minimal input from either the organisation or its stakeholders. We conclude the paper by suggesting that without more concerted efforts to understand the linkages between CSR and stakeholder management, that the current limited and unsophisticated management of the various stakeholder interests may compromise the impact of CSR in practice.