

Transparency of Corporate Social Responsibility in Dutch Breweries

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ABSTRACT. According to the Dutch Ministry of Economic Affairs (2001), transparency by means of Sustainability Reporting should lead to better Corporate Social Responsibility (CSR) performance of companies. Sustainability Reporting should also give consumers the information they need to purchase the most sustainable products available (Dutch Ministry of Economic Affairs, 2004). This article analyses the driving factors influencing CSR and Sustainability Reporting at seven breweries in the Netherlands. It also gives a better understanding of organizational behaviour with reference to CSR and the reasons breweries have for Sustainability Reporting. The Dutch government has no intention of forcing organizations to publish a sustainability report, since it is trying to diminish the volume of legislation. Rather, the government prefers to rely on the willingness and initiatives of organizations to make CSR a success. In 2006, the Dutch Ministry of Economic Affairs will evaluate the effect of its CSR policy. But is it a success already? During our research, breweries appeared to find CSR more important than Sustainability Reporting. Sustainability reporting is, for most breweries, not the way to reach stakeholders. Most stakeholders have their own means for receiving information e.g. annual reports, meetings, public statements and press releases. Although small breweries think CSR is very important, they feel no pressure from outside to publish a sustainability report. For them it is very complex and expensive to publish a sustainability report. Large breweries feel pressure from many stakeholders to be transparent, but not on a regular basis. We conclude from this research that CSR does not stimulate Sustainability Reporting, but neither does Sustainability Reporting stimulate CSR.

KEY WORDS: breweries, corporate community involvement, corporate social responsibility, environmental report, narratives, social report, stakeholders, sustainability report

ABBREVIATIONS: CMC: Computer-Mediated Communication, CMAC: Computer-Mediated Asynchronous

Communication, CSR: Corporate Social Responsibility, EZ: Dutch Ministry of Economic Affairs, GRI: Global Reporting Initiative, I.a: Among other things, MEI: Model-Effectiveness Instrument, SER: Sociaal Economische Raad (Social-Economic Council), S.R.: Sustainability Reporting, RIVM: Institute for Public Health and the Environment

Introduction

History of CSR

Corporate Social Responsibility (CSR) is a century old concept. In the first decades of the 20th century, companies were expected to interfere in social matters of their employees like housing and health security (SER, 2003). Slowly, government took over the social chores of the companies, and companies evolved into financially orientated organizations. But the consequences of this narrow corporate focus were visible in the 70s and 80s of the last century, when the negative environmental consequences of our rapid industrial growth appeared and had to be solved (SER, 2003; Willems, 2003). Besides the environmental conditions, social involvement of companies was no longer obvious and came under pressure. A rise in social security, professionalism, distances between home and work and double incomes in households (which leave less time for volunteer work), companies became more commercial (MVO Platform 2002; SER, 2003; Willems, 2003). Globalization caused the environmental and social problems to grow from a local to a worldwide level. Companies should have had a sustainable strategy policy for these matters, because they caused social, ecological and economic problems (so-called triple P); companies also have the means to do something about these problems

(Elkington, 1997). According to the Brundtland-definition, CSR would contribute to diminishing world problems affecting sustainable development¹ (Elkington, 1997; WCED, 1987).

Different reporting methods

Companies should be open about their CSR activities (Dutch Ministry of Economic Affairs (EZ), 2001). This means that organizations should inform persons who wish to receive information (Global Reporting Initiative, 2002³). There are different ways to spread information. For example, the government receives information through compulsory reporting, shareholders receive information through annual reports or meetings, and NGOs and the media receive information through discussions, interviews or press releases. According to EZ, inhabitants should receive information through a sustainability report. Assuming that organizations are free to decide if they want to publish a sustainability report or not, we will focus on one central issue here, i.e.: What are the driving factors influencing Sustainability Reporting? By comparing breweries that have a sustainability report with those which do not, we have done an analysis to ascertain what factors play an important role in the discussion on whether to publish a sustainability report.

Method

The Dutch government wishes to stimulate companies to voluntarily monitor the effects of their activities (EZ, 2001). According to EZ, transparency should even lead to better CSR performances (Good Company, 2003) because consumers and customers are able to decide which product is the most sustainable (EZ, 2004). Since EZ focus on the influence of consumers, only sustainability reports available via Internet were analyzed in this research, considering the accessibility of Internet for inhabitants.

Several driving factors are analyzed. To get consistent insight, differentiation in motivation because of product and production diversification is excluded by focusing the research on one line of business. Breweries were the chosen topic here because their products and production processes are relatively easy to compare, and because they are different in sizes and form a relatively small branch.

They are also already familiar with CSR and Sustainability Reporting, which makes them relatively easy to interview. We used a narrative interview method (episodic interviewing) to get new information not available in the literature.

Article structure

The aim of this research is to gain more insight into how publishing a sustainability report would make breweries transparent in their CSR behaviour. To do this we start with an overview on what is meant by CSR and sustainability reporting, going on in the section on method to the factors driving the research and to methodology (the episodic interview method). This is followed by the results and conclusions.

CSR

Organizations have different approaches to CSR. Garriga and Melé (2004) and Quazi and O'Brien (2000) have already discussed different types of CSR in other editions of this journal. The broad range of CSR makes it possible for organizations to create a CSR vision that corresponds to the particular challenges they have to face and their unique position (Van Marrewijk, 2003). Seven aspects of CSR have been distinguished, arising from several studies. These aspects reflect the wide coverage of CSR. In this research, CSR is defined as "a company's obligation to act on issues society considers to be important, going further than law requires them to do and being accountable for all its actions effecting social, environmental and economic areas". This definition is based on the CSR definition introduced by SER (SER, 2000).

The following aspects are important for organizations actively involved in CSR:

Triple P

The triple P, or People Profit, Planet is a well-known aspect of CSR. It forces repositioning of strategies from profit-driven organizations to organizations with attention for the companies influence on social and environmental aspects (Dawkins and Stewart, 2003; Kim and Van Dam, 2003; Van

Marrewijk, 2003) and the Social Economic Council in the Netherlands (SER, 2000).

Value creation

Value creation is closely related to *Triple P* (Hoevenagel, 2004; SER, 2000). It does not focus on profit maximalization from the (neo-)classical perspective, where social and environmental responsibilities are unnecessary, but on value creation within the domain of CSR, where three types of value creation are required.

Bergmans (2003) and Kim and Van Dam (2003) focus particularly on the financial consequences of CSR, and do not pay much attention to the effects ecological value creation can have on the environment. This could give the impression that CSR is cost-reducing. This is possible, but, as this article will show, not guaranteed, since the cost reduction cannot always be expressed in financial results.

Stakeholders

The (neo-)classical perspective focuses only on the opinion of the shareholders (Remkes, 2002). CSR does not only cater to the desires of the shareholders, but allows other stakeholders to play a significant role. Stakeholders have a lot of power, which gives them a positive influence on the CSR policies of organizations (Dawkins and Stewart, 2003).

The SER (2000) and Dawkins and Stewart (2003) distinguish stakeholders into primary or internal stakeholders (employees, stakeholders), and other or external stakeholders (customers, suppliers etc.).

Balance

The SER (2000) characterizes the enterprise as a cooperation of different stakeholders. If the cooperation is to function well, it is important to balance the pros and cons of different (conflicting) needs of stakeholders. The organization has to meet the precondition of being a paying concern and be willing to go further than legislation, contracts, rules etc., prescribing and paying attention to the topics society considers to be valuable (Dawkins and Stewart, 2003; RIVM, 2004; SER, 2000).

Long-term basis

Corporate Social Responsibility has an effect on core competences of the organization (Hoevenagel, 2004). According to the Ministry of Economic Affairs in the Netherlands (EZ), an organization shows Corporate Social Responsibility when, during the operational management, it displays social and ecological effects of the activities of the organization and is willing to take full responsibility (EZ, 2001). One of the consequences is a long-term focus on CSR, in contrast to the annual and even quarterly financial reports most companies are used to focusing on. To achieve this, corporate embedment is necessary to keep the focus on all the aspects of CSR.

Ultimate responsibility for suppliers and customers

Corporate Social Responsibility extends to suppliers, accepters, licensees or joint ventures and everybody that works for the company, regardless of formal contracts, the nature of the product and location of the company (MVO platform, 2002). Research among Finnish companies confirm that ultimate responsibility is a part of CSR and that companies should do everything in their power to stimulate the entire chain to carry out CSR. But the same research emphasizes that the companies interviewed do have trouble realizing transparency in the chain (Panapanaan et al., 2003).

Transparency

Organizations should answer justified questions from society and be open about their activities. There are many options, such as lectures, Internet sites and Sustainability Reporting. Stakeholders ask for openness regarding considerations and results (Dawkins and Stewart, 2003). Other research, however, concludes that organizations get limited reactions to their sustainability reports (Van der Ziel, 2003).

Sustainability reporting

Organizations can be transparent in many different ways. Depending on who needs the information, organizations decide or are compelled to deliver the

information. For example, management expects evaluations of an organization's performance. This information can also be used to publish an annual report for shareholders and write a press release for the media. The Dutch government demands confidential environmental reporting.³ Citizens may ask for understandable information. One way to provide this then is to publish a sustainability report; this form of transparency will be investigated below.

A sustainability report should cover all relevant aspects of a company's CSR. Since CSR covers a wide range of topics, it is difficult for organizations to report all data necessary and available. To help organizations with this difficult task, there are various guidelines and systems to investigate relevant aspects of CSR, the Global Reporting Initiative guidelines (GRI guidelines) being a one of them. It is used by organizations all over the world.

The GRI guidelines aim to contribute to the continuous dialogue with stakeholders. The guidelines focus on a larger group of stakeholders than the financial report, where focus is solely on shareholders. The guidelines should help to deliver the information that stakeholders expect (GRI, 2002).

The GRI guidelines do not represent a code of behaviour or a performance indicator, but aims to give tools to report measures that are taken to improve economic, social and ecological performances; this is to compare the results of those measurements and to compose strategies to improve. In this way, GRI gives indicators for subscribing to the CSR activities, like average hours of training per year per employees.

Methods

Case study

Only breweries in the Netherlands with a commercial production of over 10,000 hectolitres a year were investigated. Nine breweries fitted the criteria for the research. Two are internationally operating breweries (>50,000 employees) and two (ca. 900 employees) are breweries concentrating on the Dutch market, either with foreign breweries or co-operating with breweries licensed to brew their brand. Besides these four larger breweries, there are

five smaller ones (<100 employees), which focus on the Dutch market and have a limited export market (See Table I).

Seven breweries were willing to co-operate. Four of them (only the largest) publish an annual report, fitting the criteria of transparency for inhabitants. One brewery publishes an environmental and social report, and one a sustainability report. The sustainability report had the most complete coverage of the GRI guidelines. The GRI guidelines were used to give an impression on how well breweries report on their CSR activities. Which factors encourage breweries to compile a sustainability report? The next paragraph shows the literature study that revealed possible factors influencing Sustainability Reporting.

Literature study: driving factors

Corporate Social Responsibility envelops a broad range of topics. Although studies that try to explain CSR and grasp its context of CSR were consulted, there was still little knowledge about the driving factors behind Sustainability Reporting⁴ (Garriga and Melé, 2004; Graafland and Eijffinger, 2004; Hoevenagel, 2004; SER, 2000). By comparing driving factors behind Sustainability Reporting, the GRI guidelines mention CSR driving factors from the literature study. Here, it appeared that CSR and Sustainability Reporting is influenced by the same factors (Garriga and Melé, 2004; Graafland and Eijffinger, 2004; GRI, 2002; Hoevenagel, 2004; SER, 2000). Eventually, 15 factors, which might influence Sustainability Reporting, were found before the interview took place. There are different factors. First, there are *internal* factors, factors inside the organizations that have influence, like management, employees and costs. Logically, CSR should be a driver of social reporting, but it is not, as this study shows. Second, there are the *external* factors, the stakeholders (see a short description in Table II).

These 15 factors give an impression of what factors may influence Sustainability Reporting. To determine driving factors influencing breweries in the Netherlands, we took semi-structured interviews with CEOs and managers knowledgeable about the CSR activities of the brewery.

TABLE I
Features of breweries meeting the research criteria

	Brands	Willingness to cooperate	Number of employees	Public reporting on the Internet	Location of breweries
Alfa	i.a. Alfa	No comment	Unknown	No	The Netherlands
Bavaria	i.a. Bavaria, La Trappe	Yes	±900	Annual report Social and environmental report	The Netherlands and South Africa
Budels	i.a. Budels	Not interested	Unknown	No	The Netherlands
Grolsch	i.a. Grolsch	Yes	±900	Annual reporting, including a financial and general part	The Netherlands
Gulpener	i.a. Gulpener, Korenwolf	Yes	±70	Intention to do so. Winner of the CSR stimulation prize in 2003	The Netherlands
Heineken	i.a. Heineken, Amstel, Brand, Wieckse Witte	Yes	±51,000 worldwide	Financial report Sustainability report: winner of the ACC award in 2004	Worldwide
Inbev	i.a. Jupiler, Dommelsch, Hertog Jan, Hoegaarden	Yes	±70,000 worldwide	Annual reporting including a financial and general part Interbrew Holland: personnel and environmental & safety report	Worldwide
Leeuw bier	i.a. Leeuw	Yes	±50	No	The Netherlands
Lindeboom	i.a. Lindeboom	Yes	±30	No	The Netherlands

Applied data sources

We make a distinction between the various sources of information: information about CSR and sustainability reports available on the internet, public reports of CSR and sustainability activities, sent and received comments of the informants by e-mail concerning the analyzed interviews.

We applied narrative interviewing (see next chapter) and Computer-mediated communication (CMC). One form of CMC is computer-mediated asynchronous communication or CMAC. Asynchronous communication, as mentioned above, does not involve instant replies: communicators can decide to reply at any given moment (Benhunan-Fich et al., 2002). We optimized the reliability of the research results by using different information and communication methods and means of communication to give the respondents as much time as needed to reflect on their responses.

Interview method: narrative interviewing

The transparency of breweries was investigated after the literature study. Only information easily available for inhabitants on the Internet was used.

Before the interviews started, the available reports on CSR activities of the brewery were carried out and analysed using the Global Reporting Initiative guidelines (GRI). After the reports were analyzed, other information about CSR found on the Internet, with extra information about CSR required by the GRI guidelines, was added to the analysis. The CSR activities of breweries without a report were analyzed by looking for information on the Internet. Information required by the GRI guidelines, but not available, was filled out in a list of questions for during the interview. Therefore, for each brewery unique questions were added to a so-called topic guide. After finishing the topic guide was made, we held an exploratory interview with the Central Brewery office (CBK), which looks after the

TABLE II
Possible driving factors influencing Sustainability Reporting (S.R.)

Factor	Kind of power	Examples	Influence breweries (see also Table III)	Source
<i>Internal actors</i>				
Management	Power by determining corporate strategy	Managers with power can decide to implement CSR into the corporate strategy	Has influence on CSR and S.R.	Hemingway and MacLagan (2004)
Employees	Power by thwarting plans of organizations	Employees can improve CSR because they have power to change corporate strategies	Have influence on CSR and S.R.	Corbett (2004) and Dawkins and Stewart (2003)
<i>Internal factors</i>				
Costs	Money availability	Costs of sustainable products are high. Organizations may have the need to shift the costs on to consumers. Organizations with monitoring systems could implement SR faster	Those breweries that do not publish a S.R. indicate it is too expensive	Good Company (2003), Cramer (2002) and Van Wijk et al. (2001)
Complexity	Organizational flexibility	Lack of understanding of sustainability performances can be a barrier. Organizations that have certification find it less complex	CSR is complex for all breweries – also those that focus on CSR	Good Company (2003), Cramer (2002) and Van Wijk et al. (2001)
Knowledge	Knowledge availability	Lack of knowledge about CSR can hinder Sustainability Reporting	Lack of knowledge is only mentioned by breweries that are not active in CSR and S.R.	Tencati et al. (2004) and Van Wijk et al. (2001)
<i>External actors</i>				
Investors	Judge performances through risk avoidance	More banks investigate environmental and social performances of companies	Only a few breweries mentioned this actor (see Table III)	Dutch Sustainability Research (2003)
Shareholders	Power by judging performances through financial results	More investors chose for sustainable investments to estimate the risks of their investments	Shareholders of breweries have influence on CSR but they do not ask for S.R.	Dutch Sustainability Research (2003) and Hockerts (2004)

Consumers/ inhabitants	Power by judging quality, price and image	As inhabitants, people are worried about sustainability problems; as consumers, they judge products on price and quality	Consumers of beer do not ask for CSR products of S.R.	Beckers et al. (2004) and Tencati et al. (2004)
Customers	Power by judging quality, price and marks	Customers have to choose between a lot of quality marks to find which product is most sustainable, what makes it indistinct	Some customers of breweries ask for CSR, but not for S.R.	Good Company (2003)
Suppliers	Choice to deliver raw materials	Some suppliers are forced to acquire certain certificates, but most branches of trade do not question each other	Most breweries do not ask for CSR or S.R.	Good Company (2003)
NGOs	Power by numbers of members they represent	Relations with NGOs can be a communicative one as well distrustful. NGOs seem to have less influence than customers and shareholders	NGOs ask for CSR and S.R. or they try to stimulate it, according to breweries	Good Company (2003) and DHV (2001)
Neighbourhood	Power by judging effects on the local community	Neighbours have a major influence, since organization influences their local living environment	Neighbours of breweries stimulate CSR	Corbett (2004)
Media	Power by wide distribution of news	Media has a major influence on the public opinion and often focuses on the things that go wrong instead of things that go well	Media does not have an effect according to most breweries	Paape and Hummels (2000) and Good Company (2003)
Government	Power by legislation and/or enforcing agreements	Dutch government does not want legislation for CSR. Legislation in EU countries differs among countries	The government stimulates CSR but does not influence S.R. according to breweries	DHV (2001), SER (2000) and Good Company (2003)
Competition	Power by i.a. price competition, quality, trendsetting and innovation	Organizations with decent environmental behaviour, tend to have better reputations compared to competitors	The competition between breweries does not have an effect on CSR or S.R.	Miles and Covin (2000)

interests of all joint activities of the breweries. The aim of this interview was to establish a view on what CSR means for breweries and what aspects of CSR are important for breweries. The CBK indicated that especially alcohol abuse, energy and water are subjects which are very important for breweries. This information was added to the topic guide. After this interview, seven interviews followed, with only two out of the nine breweries not wanting to cooperate (see Table I).

Due to diversity of CSR, a narrative interview (the episodic interview) method was chosen to give the informants the possibility of telling their own story (Bauer and Gaskell, 2000). Managers and CEOs presumably prefer to talk about their CSR activities instead of filling in a questionnaire. To make sure the interview focused on Sustainability Reporting, the informants were guided by the topic guide, which corresponds with the episodic interview methodology. The advantages of this methodology are that new insight can be discussed; it also gives a better understanding of the context of the informant and CSR. In this way, every interview could be recorded and entirely written out.

The disadvantages of this method are that the interviews are not the same and the discussion can wander off the subject. This makes the topic guide, already discussed, necessary (Bauer and Gaskell, 2000).

After the interview, all interviews were sent to the informants to check the analysis of the interview, and to question some topics if necessary, when they were not made clear during the interview. However, CSR is a sensitive subject – containing subjects breweries sometimes do not want to discuss because the performances are not good enough. Since one of the interviewers was well-known with the activities of breweries, it was possible to value the answers and to make inquiries. Not a single interview had a “question–answer” structure; in fact, most interviews were dialogues about driving factors that influence CSR and CSR reporting. Analysis of the driving factors influencing Sustainability Reporting was made by interpreting the interviews.

Besides the inquiries during the interviews, we also compared the corrections of the analysis of the interview done by the informants with the spontaneous answers they gave during the interviews. By comparing the spontaneous answers and the cor-

rections of the analysis of the interviews made by the informants the researchers came to a well-considered picture of the research results.

Due to the overload of information, these visions on CSR and social reporting are analyzed and compared as well. This allowed the context influencing the brewer’s interpretation on the importance of Sustainability Reporting to become clearer.

Tables are used to illustrate the analysis of the interviews, making it possible to compare opinions on the same subjects. One table (Table III) analyses how breweries interpret CSR and one (Table IV) analyses the driving factors influencing CSR and sustainability reporting. In the end it appeared that the same factors influenced CSR as Sustainability Reporting.

Due to the qualitative nature of the research, it is difficult to objectively wage the influence that a factor has. The nature of the interviews requires a subjective waging of the amount of influence a factor has. Since the interviews were written out in full, they were well-documented, with the informants only using demystifying examples about topics they were familiar with. Therefore, the number and clarity of examples determined the influence the factor had. A factor received “++”, when the informant indicated the factor to have a very positive influence, including clear examples. A factor received “+” when the informant declared that it had a positive influence; however, the informant did not spontaneously give examples about this influence. The factor received “o” when the factor did not have any influence, and “-” when the factor had negative influence with no examples given. This symbol, “-”, was given to factors that had a negative influence, with spontaneous and vivid examples. The empty boxes indicate that no answer was given to the question as to what extent the factor concerned had influence, even after questioning.

Analysis and results

To answer the research questions, use has been made of both theory and empirical evidence. The literature on CSR and Sustainability Reporting has contributed to general knowledge and knowledge on how to phrase the questions for the interview. In

TABLE III
 Visions on CSR and Sustainability Reporting of breweries on the basis of the interviews

Theory	Bavaria	Grolsch	Gulpener	Heineken	Interbrew	Leeuw	Lindeboom
Triple P	Triple P	Triple P	Triple P	Triple P: focus on main aspects of sector	Triple P	Triple P	Triple P
Structural and long-term	Thinks in generations: long-term focus	CSR should be incorporated in daily activities, long-term focus	CSR incorporated in culture: long-term focus, also with suppliers	Social relevancy important on long-term basis. Corporate activities should be repeatable	Social duty to incorporate CSR in the activities: it should be a natural aspect of doing business	Social duty to incorporate CSR in the activities: it should be a natural aspect of doing business	Investments should be profitable in the long-term
Stakeholders	Sponsoring of activities with social contributions	Managing interests of internal and external stakeholders	Stakeholders, especially employees are important	Neighbourhood	Employees are very important, and should be taken good care of	Employees are very important, and should be taken good care of	
Chain	Chain management complicated		Chain management important: long-term contracts				
Value creation			Innovation is a part of CSR to make it successful				
Consideration/balance		CSR is in some cases the law, sometimes it goes further than legislation	Taking responsibility for what organization does	Taking responsibility for social aspects by giving clear information	Taking responsibility for what organization does	Taking responsibility for what organization does	Taking responsibility to comply with legislation
Transparency	S.R. partly a marketing tool, but also a communication tool for stakeholders	S.R. not the only way to be transparent	Transparency through S.R. important and in process	S.R. is important, to communicate with stakeholders and to benchmark	Communication is important for benchmarking and a way to communicate results	Transparency by opening doors for public etc. S.R. is a marketing tool	S.R. not important: those who want specific information can ask for it

Note: An empty box means that the brewery did not mention this aspect in contrast to the theory from the literature study.

this section, we will first present the vision of the breweries on CSR and Sustainability Reporting. These visions reflect how breweries put CSR into practice. We will then show how much influence the driving factors have on CSR and sustainability reporting. Not all driving factors are mentioned i.e. the ones that are evident (see Table IV). Only the ones that need to be emphasized are mentioned.

Interpretation of CSR and sustainability reporting

Previously in this article, seven aspects of CSR were introduced from the theory. The interpretation of the seven aspects of CSR are quite diverse (see Table III). Compared to the theory, only the Triple P and the continuance were aspects that breweries mentioned and agreed to them as aspects concerning CSR. During the interviews, it appeared breweries preferred to discuss their CSR activities rather than their Sustainability Reporting. Although almost none of the breweries mentioned a majority of aspects found in the theory, except Gulpener, they often spontaneously gave concrete examples of how they put a specific aspect into practice.

The breweries had opposite opinions about three topics: biological products, legislation and transparency. Some breweries consider cultivating biological products as a CSR activity. Others thought that cultivating according to present current legislation on farming is a CSR activity. In this research, biological production can be considered as a part of CSR, because it has a long-term orientation and goes further than legislation. So a brewery can be CSR, and not use biological raw materials. With reference to legislation, some breweries considered CSR to meet legal requirements. Since legislation does not require Sustainability Reporting, these breweries do not publish a sustainability report. In this research, again, CSR therefore goes further than legislation in this research, making the last argument groundless.

Social Reporting is a means to be transparent to stakeholders and is not obvious for breweries (Table III). One brewery was rather sceptic about sustainability reporting and considered it to be a marketing tool or image-building. Since only four breweries publish a report, it is interesting to note which factors influenced them (see Table III).

Driving factors

Table IV shows the results of the interviews. Not every factor is discussed, because the narrative nature of the interviews fits analyses of spontaneous reactions, thereby eliminating the need for an exhaustive list of questions on factors. There is a big difference in driving factors between CSR and Sustainability Reporting. As seen in Table IV, the breweries explained primarily the driving factors influencing CSR. Sustainability Reporting did not seem to be important according to most breweries.

Distinction was made between small breweries (<100 employees) and large breweries (>900 employees), because the number of employees indicates the differences between breweries with reference to their markets (national–international) and their lines of business (large breweries are more complex than those of the smaller breweries). For the small breweries (3), the driving factors for CSR were management, employee, neighbourhood, government, NGOs, costs, complexity and knowledge. For the larger breweries (4), the factors mentioned for small breweries also influenced them, although costs of CSR did not have impact on them. The shareholders, on the other hand, did have an effect on them. How these factors influence breweries, is discussed below.

Management

According to breweries, management has a great influence on CSR and Sustainability Reporting. Since most breweries were historically managed by families, who still have much influence, and in most circumstances, own the majority of shares, social and environmental aspects are traditionally of great value. This expresses itself in long-term CSR activities. Since beer is a natural product, breweries recognize the importance of a healthy environment. Again, managers of large breweries feel the need to stimulate Sustainability Reporting, because of their size. Many are experiencing more and more pressure from outside, stimulating Sustainability Reporting. We emphasize that top management has a great influence on the way CSR is defined within the organization. The implementation of the definition

TABLE IV
Driving factors influencing CSR (CSR) and Sustainability Reporting (SR)

	Heineken		Bavaria		Grolsch		Interbrew		Gulpener		Lindeboom		Leeuwbier	
	CSR	SR	CSR	SR	CSR	SR	CSR	SR	CSR	SR	CSR	SR	CSR	SR
<i>Internal factors</i>														
Management	++ ^a	++	++	+	++	o	+	+	++		o			++
Employees		++	+	+	++		++	++	++		+			++
Costs	o	-	-			-	o	o	-	-	-	-		o
Complexity	-	-	-		-	-	-	-	-	-	-	-		o
Knowledge	-		-	-			-	-	-	-	-	-		o
<i>External factors</i>														
Investors	-	b					++	+						
Shareholders	o		+		+		++	o	++					o
Consumers	++	o	o	o	o	o	o	o	++		o			o
Customers	+		++		o	o	o	o	+		++	-		o
Suppliers	o	-	o		o	o	o	o	o		o			o
NGOs		+	++	+	+		++	+	+		+			+
Neighbours			++	+	++		++	++	+		++			++
Media	+	+	o		o		+	++						+
Government	+	++	+	o	+	o	++	++	o		++			+
Competition					+	o	+	+			-			o

^aFactor has: ++, very positive influence; +, positive influence; o, no influence; -, negative influence; --, very negative influence.

^bEmpty box: factor is not mentioned.

of CSR can be considered as the core task of change management (Krüger, 1996). The way employees express CSR in their daily activities, might be considered as the way CSR is embedded in the culture of their organization. Organizational implementation and cultural aspects of CSR are beyond the scope of this paper.

Employees

Employees have a lot of influence. The social aspects of CSR have, in part, an infectious influence on the employees, who improve CSR by demanding decent working conditions.

Although the large breweries acknowledge that just a few employees are questioning Sustainability Reporting, they feel that employees do have a positive influence. Sustainability reporting is a way to bind employees to the companies and to share best practices to stimulate employees.

Neighbourhood

People living in the same neighbourhood influence breweries, since they are the first ones confronted with problems when a mishap occurs. Good neighbours are important, since they can bother the brewery when they are dissatisfied.

Government

Especially local government is important as this is the authority holding inspections and granting permits. The EU and national government exert influence on breweries through agreements and legislation.

NGOs

Although contacts with NGOs are sometimes stiff, they do influence CSR positively. NGOs stimulate

large breweries to publish a Sustainability Report, because they demand openness. Breweries want to publish their news before NGOs bring certain information up. Therefore it becomes more important to publish not only on what is going well, but also on situations or issues that need improvement.

Consumers

As a result of Social Reporting consumers should ask for sustainable products (EZ, 2004)... According to the breweries, consumers do not ask for these products. Vringer (2005) investigated the relation between values, problem perception and motivation of consumers and the household energy requirement. He concluded that values, problem perception and motivation of consumers do not result in a significant difference in the energy requirement. The consumers' acknowledgement of the importance of social and environmental issues like energy reduction and contesting poverty results in consumers' behaviour that tries to contribute to tackling environmental and social problems does not seem to be such an evident assumption.

Costs

Breweries indicate that CSR is expensive. The large breweries feel they can cover costs because they can spread them over all departments. Others indicate that they do not know how much CSR costs, because they have been working in the same way for years, while others declare it is hard to attribute the costs solitary to CSR.

Small breweries do not want to spend their money on sustainability reports that nobody wants. They also have to contract these reports out, because they are too small to handle the work themselves. According to them, it is better to spend the money on something concrete like CSR. Large breweries on the contrary indicate that the information can be used for internal and external benchmarking, which makes it less expensive. Small breweries already have a decent overview because of their sizes.

Complexity

All breweries think that CSR is complex. To get all information on time, from the right person and with the right figures, is a heavy task. This restricts CSR. Since small breweries have limited resources, employees combine tasks. It is too difficult for them to organize decent reporting into their daily routine.

For larger breweries, it is complex to publish a sustainability report, obtaining the same figures like water and energy use from plants all over the world. Furthermore, not everybody is willing to give the information in the right way, because it is time-consuming.

Knowledge

Closely related to complexity, is knowledge. CSR is a complex concept, which makes it hard to grasp which bit of knowledge is necessary and how it can be obtained. There are also many dilemmas that organizations are confronted with, thereby restricting CSR. It is difficult to publish a sustainability report, because knowledge about guidelines, standards etc. is needed. Employees of small breweries combine tasks and therefore are not specialized in Sustainability Reporting. For large breweries, it is a complex task to get the right information, because one has to stick to the same standards over the world.

Conclusions

There is a scale effect of driving factors influencing CSR and Sustainability Reporting. Local stakeholders have more influence on smaller breweries than national or international factors. Only the largest international breweries find international stakeholders important, but depending on the organizational and national culture, they find some stakeholders more important than others. For instance, when the head office is in Belgium, CSR is less important than it is in the Netherlands; this has an effect on the companies' attitude towards CSR.

CSR is an important issue for breweries. There are a lot of factors stimulating breweries to adopt

CSR. Most of them have a clear vision of this concept. Large breweries focus on (worldwide) efficiency improvements, and have stakeholders all over the world watching them, who can make or break the carefully built image of an organization (NRC, 25 April 2005). Public transparency is a natural next step for them in monitoring and developing their CSR activities. But there are differences. Due to the complexity of Sustainability Reporting and required knowledge, achieving transparency is a long haul. CSR and Sustainability Reporting is a learning process, which takes time. This has an effect on the quality of sustainability reports, which is low and stabilizing (EZ, 2004; Feenstra, 2004), although quality is showing slow improvement. In fact, according to Feenstra (2004), the same situation is evolving as the social reports in the 70s of the last century: although it is popular now, it bleeds to death because of the absence of clear norms (Feenstra, 2004). This is also visible in the driving factors influencing CSR. While breweries try to achieve Corporate Social Responsibility, Sustainability Reporting is not a big issue for small breweries. Most small breweries (<100 employees) think it is too expensive, too complex and time-consuming. They are of the opinion that the money otherwise spent on reporting should, instead, be spent on the main issue: CSR.

The larger breweries pay more attention to Sustainability Reporting. Apart from management, stakeholders too ask for sustainability reports. Although some breweries want to publish the report, they also point out that Sustainability Reporting is complex and difficult. It is very difficult to obtain all the figures they need for their sustainability reports from their divisions all over the world. It takes time, which makes it expensive. On the other hand, when they finally have the information, they can use it for other goals, like internal benchmarking. Nevertheless, the quality of the reports differs and is stabilizing at low levels. Why is the transparency of CSR not self-evident?

As mentioned above, there are few driving factors influencing Sustainability Reporting. A sustainability report represents an extra general report, and demonstrates a wide range of other reporting methods, exclusively published from an inhabitant's perspective. But although inhabitants should stimulate CSR by purchasing products, which are very

environmentally and socially friendly (on the basis of information from the sustainability reports), there is no indication that they do so (Vringer, 2005). So why would organizations publish a sustainability report? They do not see the need for Sustainability Reporting, the only factor pushing them to publish the report is the government. This push forces companies to publish a sustainability report because it becomes a necessity, which can harm the image of the company if not done.

Publishing the report does not mean that breweries do not want to be transparent: they only want to be transparent in another way. The institutions that have to take cognizance of the activities of the breweries, like the tax department, media, government, shareholders, already have their entry point in the organizations, through other means than a Sustainability Report. Furthermore, interested inhabitants can receive information through guided tours, lectures, etc., which is more informative than the sustainability reports. Therefore, Sustainability Reporting does not improve CSR, and therefore, Sustainability Reporting is not relevant for demonstrating transparency of CSR. Multinationals publish a Sustainability Report because large institutions producing sustainability indexes and indicators use the reports investigating CSR activities of organizations, influenced by governmental proclamations of the importance of CSR (Sustainability report – Philips, 2004; Sustainability Report – Heineken, 2003). But these institutions do not automatically verbalize the needs of society.

Discussion

Theoretical discussion

Further research is needed for quantitative measurement of the influence of driving factors. The qualitative analysis of this study is a subjective one, although two interviewers carried out the analysis, it cannot measure the “amount of influence” the driving factors had. Further research to measure degrees of influence that factors could have is necessary, especially the willingness of consumers to buy sustainable products. Furthermore, if the effects of the implementation of CSR should be measured, quantitative research is needed. Krüger (1996)

already mentioned that top management has the task to implement changes into the organizations' daily activities. Subsequently, quantitative research could be applied to measure the contribution of CSR-policy on the organizational goals and objectives.

This research is based on breweries only. Due to the qualitative research method, it is not possible to project all results on other sectors. In exploring the factors that stimulate Sustainability Reporting by Dutch companies, it will be necessary to interview companies in every sector for a better comprehension of what drives them to implement CSR. As a follow up to the interviews it might be possible to set up an inquiry for the entire sector.

Since reporting is expensive for small companies, it would be a relief for them to have shorter and simpler guidelines. The Global Reporting Initiative⁵ has drawn up guidelines but these require heavy reading, so a "score card" could be a better option.

Other studies

Graafland et al. (2003a) indicated that the size of companies has a positive influence on the use of instruments like behavioural codes, ISO certification, social reporting etc. These results agree with ours, however, the same study indicates that there are no differences between family-run and non-family run businesses on the use of the mentioned instruments. Although Hemingway and Maclagan (2004) indicate that values of individuals with power do make a difference for CSR, this factor will need further investigation.

Empirical discussion

Sustainability reporting is not what it was meant to be. It is not the best way to transparency. The quality of the sustainability reports differ, the information varies and the target group is not enthusiastic. Only the government is stimulating Sustainability Reporting. Will Sustainability Reporting end the same way as public environmental reporting, where government has repealed compulsory public environmental reporting, since no one is interested (Aalbers, 2004)? Sustainability reporting will, most likely, disappear if there is no

clear legislation on what is expected from companies – for sustainability and for CSR. The social voluntariness that the government prefers is also one-sided. Only companies are forced to participate in CSR and show transparency, not inhabitants. Can CSR succeed under these circumstances, especially when there is not a clear standard for CSR companies to work towards? Is the willingness of companies great enough to push the frontiers back and put all out the stops to assure that future generations retain possibilities to meet their own needs according to the definition of Brundtland (WCED, 1987)? This could be dependent on the future developments of society: i.e. what will companies be expected to do?

The Netherlands Environmental Assessment Agency (MNP-RIVM) has expressed the future of sustainability in the form of four world visions, including different visions for which goals should strive. Perceptions of the availability of means and opinions about steering and distributing options were taken into account (RIVM, 2004). Further studies on the possible effects of these world visions on the future development of CSR could be interesting for judging how the future of CSR might develop.

Notes

¹ Brundtland's definition of sustainability: Sustainable development is a development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

² Global Reporting Initiative (GRI) is an independent organization that drew up CSR guidelines to help organizations with their Sustainability Reporting.

³ Article 19.7. Wet Milieubeheer (Dutch legislation on nature conservation).

⁴ Driving factors influencing CSR have been partly investigated by such authors as Corbett (2004), Dawkins and Stewart (2003) and Hemingway and Maclagan (2004). Driving factors influencing sustainability reporting or transparency were not investigated as often: Good Company (2003), Van der Linden and Molenkamp (2000).

⁵ Global Reporting Initiative (GRI) is an independent organization that has drawn up CSR guidelines to help organizations with their sustainability reporting.

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