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**INSTITUTIONAL MAINTENANCE THROUGH BUSINESS COLLECTIVE ACTION:  
THE ALCOHOL INDUSTRY'S ENGAGEMENT WITH THE ISSUE OF ALCOHOL-  
RELATED HARM**

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**ABSTRACT**

Organizations are increasingly confronted with legitimacy threats related to the perceived social costs of their business activities. Despite a significant amount of research on the responses of individual organizations, surprisingly limited attention has been paid to the collective activities firms may engage to address such issues. In this paper, we use institutional theory as a lens for an exploratory case study of issue-based industry collective action in the alcohol industry. Our findings identify a new organizational form, the Issue-Based Industry Collective (IBIC) and inspire new research avenues at the intersection of business collective action, social issues and institutional theory.

**Keywords:** Business collective action, social issues, institutional theory, social movements, institutional maintenance

## INTRODUCTION

Organizations are increasingly confronted with societal pressures related to the perceived social and environmental costs of their business activities. As such pressures are often directed at an entire field, rather than at individual firms, organizations are likely to face a collective action problem when trying to find an appropriate response ([King & Lenox 2000](#); [Getz 1997](#); [Barnett 2006](#)). However, despite a significant amount of research on *public* collective action ([Schneiberg & Lounsbury 2008](#); [McCarthy & Zald 1977](#); [Lounsbury et al. 2003](#); [Soule 2012](#)), the phenomenon of *business* collective action remains surprisingly undertheorized in organization theory (but see [Barley, 2010](#); [Greenwood, 2008](#); [Marques, 2016](#); [Spillman, 2012](#)). In this paper, we address this dearth in theory by employing institutional theory as a lens to explore the question of how firms may collectively maintain their legitimacy in response to social issues.

Prior research in the space of social-issues management has focused predominantly on organizational-level responses to issue-based legitimacy threats. One stream of research has examined perception management strategies that firms may employ to maintain their legitimacy in the wake of public crises ([Elsbach 1994](#); [McDonnell & King 2013](#); [Marcus & Goodman 1991](#); [Desai 2011](#); [Elsbach 2013](#)). Such studies have typically looked at how organizations may best frame their responses to concerned stakeholders in order to preserve positive social evaluations. Another stream of research has looked at corporate political activity ([Hillman et al. 2004](#); [Walker & Rea 2014](#); [Getz 1997](#)). Studies in this branch have examined the activities that organizations may employ to influence government policy in ways that are favourable to the firm, such as lobbying, public campaigning and direct political engagement. Despite producing important insights, rarely have these studies acknowledged the collective nature of legitimacy threats and related organizational responses, and subjected these issues to analysis at the field-level ([Barley 2010](#); [Hoffman 2001](#)).

Moreover, the limited work that *has* addressed industry collective action in some fashion has done so from a relatively narrow angle, focusing exclusively on one type of strategy that firms may engage in collectively, such as self-regulation ([King & Lenox 2000](#); [Barnett & King 2008](#); [Yue et al. 2013](#)) or astroturfing ([Walker 2014](#); [Walker 2009](#)). However, legitimacy threats related to social issues are typically multifaceted and involve pressure from a variety of stakeholders ([Hoffman 1999](#); [Meyer & Hollerer 2010](#)). As a result, affected organizations are likely to engage in a multiplicity of collective activities to manage these challenges. As such, we see a clear need for taking a broader lens on issue-based business collective action and believe that institutional theory is ideally situated to theoretically inform such an approach.

In this paper, we begin by addressing this challenge through a theorization of the collective activities of organizations in response to legitimacy-threatening social issues. To this end, we report on a study of the collective activities of alcohol producers in response to increased public attention to the issue of alcohol-related harm. We begin by arguing that the increased public attention to the issue of alcohol-related harm as a result of a “new public health movement” set in motion forces of deinstitutionalization around alcohol consumption. As a result, a number of alcohol producers began to perceive this issue as an existential threat. Our study of the responses of these alcohol producers led to the discovery of a new organizational form, which we refer to as the Issue-Based Industry Collective (IBIC). We define organizations of this form as non-profit organizations that are established and funded by multiple industry actors in order to engage with a particular social issue. We found that, in the alcohol industry, IBICs were established to advance a new paradigm of “responsible alcohol consumption” in order to maintain the overarching institution of alcohol consumption. In the remainder of the paper, we present an exploratory case study of IBICs in the alcohol industry in order to describe the diverse set of collective activities that these organizations

may facilitate and investigate why IBICs may be regarded as necessary vehicles for the execution of these activities.

With our work, we aim to open up a new research direction on business collective action and social issues and make three specific contributions with the aim of fostering cross-fertilization between research on social-issues management (e.g. [Desai, 2011](#); [Elsbach, 1994](#); [Hillman et al., 2004](#)) and two branches of institutional theory: “movement institutionalism” ([King & Pearce 2010](#); [Schneiberg & Lounsbury 2008](#); [Soule 2012](#)) and institutional work ([Lawrence & Suddaby 2006](#); [Zietsma & Lawrence 2010](#); [Maguire & Hardy 2009](#)). First, our findings suggest that research on social-issues management ([Desai 2011](#); [Elsbach 1994](#); [Hillman et al. 2004](#)) could be enriched when social issues become understood as potential deinstitutionalization pressures within organizational fields rather than mere strategic issues facing individual firms. Such an understanding would allow for a better appreciation of the multilevel nature of the challenges that organizations may face when they face social issues and why there may be a need for collective action. This would encourage researchers in this space to consider a greater range of activities that organizations may adopt.

Second, we contribute to the emerging line of research on business collective action at the intersection of social issues management and institutional theory ([Barley 2010](#); [Barnett 2006](#); [Marques 2016](#)) by bringing attention to a new organizational form—the Issue-Based Industry Collective—and show that this form provides a unique organizational vehicle that industry actors may use to engage in collective maintenance in response to issue-based pressures toward deinstitutionalization. Through our efforts we aim to highlight the dire need for research on business collective action within organization theory. In particular, we propose that scholars theorize the different dimensions of collective business action and study the conditions leading to the emergence of various forms of such action.

Third and finally, our findings suggest that research within institutional theory could be enriched when institutional maintenance becomes regarded as a more multifaceted construct that may involve multiple social issue management tactics. Although institutional researchers have acknowledged that organizations may act like social movements at times (Soule 2012), the limited previous research in institutional theory on this subject has looked at field-level maintenance as a relatively one-dimensional activity related to the “defence” of existing institutional arrangements ([Maguire & Hardy 2009](#); [Zietsma & Lawrence 2010](#)). Our work suggests that institutional maintenance may be more multifaceted and may paradoxically include institutional creation work. Our depiction of the institutionalization of the responsible drinking paradigm in the alcohol industry encourages more complete and nuanced theorization of the maintenance activities that incumbent actors may engage in and, as such, promotes consideration of a greater range of activities that organizations may adopt.

We begin the remainder of the paper by reviewing relevant research on organizational responses to social issues and by arguing where institutional theory may advance research in this area. Subsequently, we introduce an exploratory case study of the collective activities of alcohol producers in response to increased attention to the issue of alcohol-related harm. We then show how these activities could be seen as different forms of institutional maintenance across multiple institutional pillars and theorize why organizations may engage in these activities collectively. Finally, we discuss implications of our conceptualization for future research on business collective action and legitimacy threats.

## **PREVIOUS RESEARCH**

### *Social Issues Management*

Organizations may face legitimacy threats when there is increased attention to the perceived costs of their activities for society. Such threats may surface due to the occurrence of catastrophes (Desai

2011; [Marcus & Goodman 1991](#)) or through the agenda-setting work of civil society organizations ([McDonnell & King 2013](#); [Deephouse & Heugens 2009](#)). For instance, the banking industry is faced with legitimacy issues after the financial crisis drew attention to the potential societal costs associated with the industry's practices (e.g. [Davis, 2010](#)). Similarly, the apparel industry is frequently confronted with challenges related to the circumstances under which their products are manufactured (e.g. [Zadek, 2004](#)). However, while in some instances such social issues may result in event-based legitimacy discounts that wear off over time, in other cases, attention to the societal cost of business activities may lead to existential legitimacy threats as they challenge the core of the affected organization's practices ([Hudson 2008](#)). Examples of the latter may be found in contexts such as the gambling industry ([Galvin et al. 2005](#)), the arms industry ([Vergne 2012](#)), the alcohol industry ([Hiatt et al. 2009](#)), the tobacco industry ([Galvin et al. 2005](#)) and more recently in the soft drinks and fast-food industry. Whether or not social issues cause episodic or systemic challenges to organizations, a common thread is that these issues challenge the fundamental license to operate for organizations in a scrutinized line of business and, as such, require an organized response.

Previous research has provided multiple examples of organizational efforts to shape their environment and maintain legitimacy in response to social issues. A first stream of research has examined the perception management strategies that firms may employ to preserve positive social evaluations ([Elsbach 1994](#); [Desai 2011](#); [McDonnell & King 2013](#); [Marcus & Goodman 1991](#); [Elsbach 2013](#)). For example, [Elsbach \(1994\)](#) showed that, in the context of the California cattle industry, organizational responses to social issues were most effective in preserving legitimacy when they included “acknowledgments” rather than “denials” and referred to “institutional characteristics” rather than “technical characteristics”. Relatedly, in a quantitative study of organizational responses of railroad companies to a public crises regarding railway safety, [Desai \(2011\)](#) found that organizations used a variety of “defensive institutional statements” and that the



degree to which such statements were used varied depending on field and organizational characteristics. Overall, these studies provide good insights into the episodic public responses that organizations may engage in following legitimacy threatening situations.

A second important stream of research has provided insight into the more systemic responses that organizations may engage in to shape their environments in efforts to manage legitimacy threats. This eclectic line of work has focused on what is described as “corporate political activity” (Hillman et al. 2004; Walker & Rea 2014; Getz 1997). Corporate political activity refers to the deliberate corporate actions that are intended to shape governmental behaviour in ways that are favourable to the firm (Getz 1997; Hillman et al. 2004; Baysinger 1984). Examples of such actions are engagement in electoral politics in order to support preferred candidates or obtain access to otherwise unavailable political channels (Ansolabehere et al. 2002; Hart 2001), corporate lobbying to influence the policy making process (Baumgartner & Leech 2001; Caldeira et al. 2000; Schuler et al. 2002) and grassroots lobbying or “astroturfing” through which corporations seek to mobilize citizens to advocate for their interests toward government (Walker 2014; Walker 2009). Research in this vein thus provides valuable lessons regarding the strategies that firms may employ to shape their political environment in anticipation of or in response to a social issue.

Despite the significance of the findings of these two streams of research for understanding organizational responses to social issues, there are two important limitations. First, both streams of research focus predominantly on episodic organizational-level activities. However, social issues often pose structural challenges, rather than episodic challenges, that affect entire industries, rather than individual firms. As such, effective responses require collective action from affected organizations (King & Lenox 2000; Getz 1997; Barnett 2006). Second, both streams of research focus on isolated sets of activities that target very specific domains of the affected organization’s environment. For example, while perception management research typically looks at how

organizations may manage disapproval among the broader public ([Elsbach 2013](#)), research on corporate political activity specializes in understanding corporate influence over the political domain ([Funk & Hirschman 2015](#)). However, responding to social issues is likely to require a multiplicity of activities targeted at multiple domains ([Hoffman 1999](#)). As such, we lack a field-level understanding of how firms may collectively maintain their legitimacy in response to a social issue.

Recent research has begun to address these issues in two ways. First, there is increasing attention to the role of industry associations as vehicles for collective action at the level of the organizational field ([Spillman 2012](#); [Barnett 2012](#)). Second, researchers have looked at particular activities that organizations may engage in collectively to respond to field-level social issues, such as self-regulation ([King & Lenox 2000](#); [Barnett & King 2008](#); [Yue et al. 2013](#)) and astroturfing ([Walker 2014](#); [Walker 2009](#)). As such there is a broader stream of research emerging that takes seriously the role of business collective action at the field level ([Barley 2010](#); [Marques 2016](#)). We aim to contribute to this emerging line of research by using institutional theory as a lens to study issue-based business collective action at the level of the organizational field. In particular, we build on two branches of institutional theory: what we call “movement institutionalism” ([King & Pearce 2010](#); [Schneiberg & Lounsbury 2008](#); [Soule 2012](#)) and institutional work ([Lawrence & Suddaby 2006](#); [Zietsma & Lawrence 2010](#); [Maguire & Hardy 2009](#)).

### *Institutional Theory*

#### *Movement Institutionalism*

Movement institutionalism is a branch of research that has developed at the intersection of organizational institutionalism and social movement research ([Schneiberg & Lounsbury 2008](#); [Soule 2012](#); [King & Pearce 2010](#)). This range of work examines the interaction between business

and society by placing organizations within broader fields of contestation in which different groups of actors struggle for power and influence. As such, this work seeks a balance between *deterministic institutionalism* by rejecting the idea that organizational fields are monistic iron cages that force cultural-dopey actors into mimetic isomorphism ad perpetuum and *heroic institutionalism* by assuming at the same time that context exercises considerable force on actors' reflexive capability (Schneiberg & Lounsbury 2008). Overall, the main aim of movement institutionalism is to open up the black box of institutional change and provide theory around the ongoing struggle between different groups of field actors over meaning and influence.

### *Institutional Work*

Similar to movement institutionalism, institutional work is a branch of institutional theory that seeks a balance between deterministic and heroic institutionalism. This branch of research has focused on improving our understanding of the role of agency in institutional dynamics by distinguishing between different forms of purposeful work that may have institutional consequences ([Lawrence & Suddaby 2006](#); [Lawrence et al. 2011](#); [Lawrence et al. 2009](#)) as well as different degrees of intentionality ([Battilana & D'Aunno 2009](#); [Zietsma & Lawrence 2010](#)). Overall, the main aim of institutional work is to provide theory that allows for a nuanced understanding of the different purposive activities that actors may engage in that shape the institutional environment.

### *Advantages of Using Institutional Theory to Study Organizational Responses to Social Issues*

Using institutional theory to study organizational responses to social issues has three important advantages. First, this allows us to move away from viewing social issues management as a mere strategic exercise by drawing explicit attention to the idea that social issues are often situated in broader organizational fields that organizations need to navigate ([Greenwood et al. 2002](#);

Schneiberg & Soule 2005). Organizational fields draw together a divergent set of actors with a stake in a particular issue who may hold competing views about how an issue should be framed and addressed ([Hoffman 1999](#); [Meyer & Hollerer 2010](#); Schneiberg & Soule 2005). In this respect, movement institutionalism embraces the language of the battlefield by paying attention to the organizational activities of challengers, often in the form of collective action among an aggrieved subset of the public, and the activities of incumbents, often in the form of defensive responses from powerful corporations ([Fligstein & McAdam 2011](#); [King 2008](#); [Rao et al. 2000](#)). As such, through this lens, social issues engagement becomes part of an on going struggle between different actor groups that occurs when taken-for-granted practices coalesce with broader societal forces that provoke actors to experiment with solutions on the ground ([Greenwood et al. 2002](#); [Zietsma & Lawrence 2010](#); [Lounsbury et al. 2003](#)).

Second and relatedly, employing institutional theory as a lens also draws attention to the idea that social issues are socially constructed ([Edelman 1988](#); [Gusfield 1984](#); [Lefsrud & Meyer 2012](#)). From this perspective, organizations are not mere passive actors that respond to threats that are posed by challengers, but are also active participants in the construction of meaning around social issues and related institutionalization or deinstitutionalization of particular practices ([Hiatt et al. 2009](#); [Maguire & Hardy 2009](#); [Oliver 1992](#)). As such, it becomes essential to understand not only how public movements may attempt to frame certain issues, boost the diffusion of their ideas, as well as, recruit members, gain resources and establish a broad support for the movement ([Snow et al. 1986](#); [Lounsbury et al. 2003](#); [Rao et al. 2000](#)), but also how the work of incumbent organizations may achieve similar ends in attempts to maintain their position ([Zietsma & Lawrence 2010](#); [Maguire & Hardy 2009](#)). As such, social issues management may entail organizations acting like social movements ([Soule, 2012](#)) in their attempts to construct alternative paths that resolve challenges around social issues while maintaining their legitimacy.

Third and finally, employing institutional theory as a lens also draws attention to the idea that social issues may ultimately generate deinstitutionalization pressures and, as such, pose existential threats to affected organizations. Behaviour in organizational fields can be understood to be guided by regulative, normative as well as cultural-cognitive institutional pillars ([Hoffman 1999](#); [Scott 2013](#)). While the construction of social issues typically directly affects the regulative and normative pillars through the scrutiny of regulatory frameworks and prevailing norms, indirectly these pressures also challenge fundamental cognitive aspects around which organizational fields are constituted. When regulative and normative pillars are under pressure, processes of deinstitutionalization may be set in motion that may bring previously taken-for-granted practices and deeply held beliefs into the light of reflexive evaluation. As such, social issues may potentially pose severe existential threats for organizations ([Hiatt et al. 2009](#); [Oliver 1992](#); [Maguire & Hardy 2009](#)). As such, from this perspective, social issues management is not an episodic event, but a continued and multipronged effort to shape the multifaceted and complex nature of the organizational environment that likely supersedes the capacity of any individual actor ([Greenwood et al. 2011](#)).

Below, we present our exploratory case study of how the alcohol industry engaged in collective activities in response to the issue of alcohol-related harm in order to maintain the institutions related to alcohol consumption. We first describe how the issue of alcohol-related harm was constructed and diffused by the new public health movement incited by the WHO. We then show how attention to the issue affected regulative, normative and cultural-cognitive aspects of the institutional environment around alcohol consumption, leading to pressures toward deinstitutionalization. We then detail how and why alcohol producers engaged in collective institutional maintenance in relation to this issue in order to preserve their collective legitimacy and describe their activities related to the institutionalization of a “responsible drinking” paradigm.

Finally, we discuss implications of our work for research at the intersection of social issues, business collective action and institutional theory.

### **THE ISSUE OF ALCOHOL-RELATED HARM**

The alcohol industry's response to the issue of alcohol-related harm is an ideal case for the purposes of our study for two reasons. First, the issue of alcohol-related harm is an extreme case of a social issue that poses an existential legitimacy threat to the affected industry. Although alcohol consumption is as old as human civilization (Hornsey 2003), and thus can be regarded as a deeply institutionalized practice of global scale, it has always been a contested practice. There were public discourses that dealt with the potential harmful effects of alcohol consumption on society as early as the era of the ancient Greek and Roman civilizations (Gately 2009). Throughout history, producers of alcohol have faced public scrutiny and have had to fight for their license to operate. For example, a strong international temperance movement led to periods of full prohibition in several Western countries in the 19<sup>th</sup> century (Hiatt et al. 2009; Gately 2009). Whereas historic challenges to the alcohol industry's legitimacy typically came from organized religion (Pennock 2009), most recent attention to the issue of alcohol-related harm was fueled, in the first place, by the actions of other actor groups, of which the World Health Organization (WHO) was the most prominent. Although they were not as radical in their aims as religious activists, this movement did again create significant pressures toward deinstitutionalization in the alcohol industry.

A second reason for why the alcohol industry's response to the issue of alcohol-related harm is an ideal case for our purposes can be found in the significant hurdles that the industry faces in overcoming collective action problems when responding to issues. The alcohol industry is divided into three categories of producers (beer, wine, and spirits producers) and, historically, there have always been strong boundaries between these categories. Any degree of collective action

across these categories that we may observe is thus interesting in order to explain why organizations may engage in collective action in response to a social issue.

### *The New Public Health Movement*

Recent attention to the issue of alcohol-related harm began to emerge in 1977. In this year the World Health Assembly, the forum through which the World Health Organization (WHO) is governed, agreed that governments and the WHO needed to focus on “the attainment by all the people of the world by the year 2000 of a level of health that would permit them to lead a socially and economically productive life” (Chorev 2012; WHO 1998). This ultimately would lead to the production of a report entitled “Global Strategy for Health for All by the Year 2000” in 1981 and subsequent repeated evaluations of the public health of the WHO’s 166 member states. This increased attention to public health is often referred to as the “New Public Health Movement” (Tulchinsky & Varavikova 2010). One of the threats to public health that were identified by WHO was “psychoactive substance use”, which referred to the use of illicit drugs, tobacco and alcohol. The proposed WHO policies to reduce the costs to society of substance use followed what some refer to as the “Scandinavian Model” by arguing for (a) high excise taxes, (b) heavy restrictions on distribution, and (c) prohibition of advertising and other promotional activities (Snortum 1984). Initial efforts were most successful in the context of national tobacco industries where adopted policies indeed significantly reduced consumption, posing a serious existential threat to tobacco producers (Chorev 2012).

However, WHO’s activities also influenced the agenda of national governments in relation to alcohol policy. This coincided with a growing movement in society as evident by increased public debates around issues with alcohol advertising and consumption and increased scientific research about alcohol consumption. For example, the United Kingdom witnessed a public outcry

over the commercial success of so-called “alcopops”, alcoholic beverages that are premixed with juices or other flavorings, in the 1990s. Hooper’s Hooch was the most prominent brand, which was launched in 1995 by Bass in the UK and consisted of a line of lemonade-, orange-, and blackcurrant-flavored alcoholic beverages. Producers of products such as Hooper’s Hooch were accused of deliberately marketing alcohol to young people and, as such, associated with reported increases in underage drinking or overuse of alcohol by young adults (Anderson & Baumberg 2006).

*Pressures Toward Deinstitutionalization Across Three Institutional Pillars of Alcohol Consumption*

Due to the growing attention to the issue of alcohol-related harm in the last decades of the 20<sup>th</sup> century, the institution of alcohol consumption became increasingly contested and an increasing variety of actors began to actively reconceptualize the role that alcohol has or should have in society. Despite historic challenges ([Hiatt et al. 2009](#)), the consumption of alcohol had remained highly institutionalized in the developed world. However, with the recent resurgence of attention to the potential societal harms related to alcohol consumption, we can observe change across the three pillars of the institution; the regulative, the normative, and the cultural-cognitive institutions surrounding alcohol consumption ([Scott 2013](#)). These pressures are summarized below in Table 1. Building on Suchman’s (1995) conceptualization of different forms of legitimacy, we argue that changes across the various institutional pillars challenge the pragmatic, moral as well as the cognitive legitimacy of alcohol producers, due to a variety of pressures toward deinstitutionalization of alcohol consumption.

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Insert Table 1 about here  
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### *Regulative Pressures*

In terms of the *regulative* pillar of alcohol consumption, there has been a notable increase in alcohol-related regulations since the 1970s, and in particular since the mid-1990s in several central European countries. Though regulation in the alcohol industry is not a new phenomenon—taxation and licensing systems have been in place for a considerable amount of time—more recent regulatory efforts have concentrated on increasing excise taxes, further distribution restrictions, restrictions on advertising, increase of the legal drinking age and lowering of the permissible blood alcohol concentration when driving (WHO 2013). The most prominent political battles around regulation have focused on the areas of excise taxes and advertisement. State control over the alcohol industry through excise taxes dates back to the emergence of the industry and battles have been fought between the state and alcohol producers throughout history. However, more recently there have been considerable increases in the amount of tax payable on alcoholic beverages. For instance, France increased the excise tax on beer in 2012 by 160% (Breedon 2012).

Whereas the battle over excise taxes has been an issue of all eras, most recent attention related to alcohol control has been devoted to the area of advertisement. Since the 1970s various countries have implemented restrictions on alcohol advertisement. An extreme example of this is the French “Loi Evin”, which was passed in 1991 in relation to “the struggle against tobacco consumption and alcoholism” ([Rigaud & Craplet 2004](#); [Jahiel & Babor 2007](#); [Casswell & Maxwell 2005](#)). This law prohibited alcohol advertisement on television and in cinemas and imposed controls over advertisement in other media. However, in many other countries alcohol producers continued to enjoy considerable freedom in their advertising behavior despite enduring political debate. Due to the increased regulation and threat of further regulatory measures in the last few decades of the 20<sup>th</sup> century, alcohol producers were faced with decreasing pragmatic legitimacy. Increased regulation typically reflected loss in trustworthiness and, as such, the alcohol industry

faced increasing difficulties in finding a listening ear among policy makers and other constituents. In addition, there were several concrete challenges that would result from increased regulation such as a potentially shrinking market for alcoholic products as well as with a decrease in ability to position alcohol brands in the market place. In sum, it is evident that the regulatory changes posed a severe threat to the alcohol industry.

### *Normative Pressures*

In terms of the *normative* pillar of alcohol consumption, there has been a notable change in ideas in society as to how consumers ought to relate to alcohol. In general, there is a lower tolerance for alcoholism in Western society. This is observable in an increase in guidelines related to consumption patterns—i.e. specification of what levels of consumption are harmless vs. harmful, how children and young adults should relate to alcohol, as well as how to deal with alcohol in traffic and work. For example, during the second half of the 20<sup>th</sup> century, national governments began to stipulate recommended drinking guidelines. The United Kingdom adopted the first guidelines in 1987 that suggested ‘sensible limits of drinking’ in terms of weekly units (Miller et al. 2012). Apart from the drinking guidelines that aimed to change norms regarding the amount and frequency of alcohol consumption, governments also increasingly started to run public campaigns that raised awareness about the potential negative consequences of alcohol consumption. For example, in the Netherlands, the government started running a large mass media campaign in 1986 with the slogan “Alcohol destroys more than you would like” that addressed issues such as the potential harms of alcohol consumption for children and young adolescents (Österberg & Karlsson 2002).

Whereas the WHO has been an important actor in advancing such guidelines, it has to be noted that there are various local non-governmental organizations that have contributed to this as

well such as Alcohol Concern in the United Kingdom and STAP in the Netherlands. The overall change in normative attitude toward alcohol posed concrete challenges for alcohol producers. Their behavior came to face greater scrutiny in relation to the products they produced and the manner in which they were marketed, which preceded any form of regulation. This was evident in the example of alcopops in the UK described above. Norms around alcohol consumption thus had a recursive relationship with regulation; where shifting norms both fueled further regulatory pressure as well further diffusion of such norms. The shift in norms challenged the alcohol industry's moral legitimacy as the value of their product to society became highly debated. This aggravated challenges for alcohol producers related to regulative changes as there was a threat that a shift in norms may cause alcohol to be stigmatized to the same degree as tobacco and psycho-active drugs.

#### *Cultural-Cognitive Pressures*

Combined, the regulative and normative changes to the institution of alcohol consumption has affected deeper meanings and behaviors related to alcohol consumption. As such, the *cultural-cognitive* pillar of alcohol consumption has also undergone change. There are clear indications that deeply held beliefs about alcohol consumption have been undergoing a similar development as those related to tobacco consumption. The occasions during which it is appropriate to drink alcohol have been decreasing. For example, an indication of this is that it has become less socially accepted to drink alcohol during lunch or on weeknights, and perhaps even more wide spread is the now strongly held belief that women should not drink during pregnancy. Meanwhile, it is increasingly common to meet for coffee rather than a beer. This trend is evident in Britain where coffee shops are increasingly replacing pubs, as a meeting place and/or social venue (Thomas 2014). As a consequence, some pubs have even begun to diversify into the coffee market and train their staff as baristas (Shubber 2015). Normative and regulatory pressures may have led to the decreasing

association of social gatherings with alcohol consumption. As such, the alcohol industry faced decreasing cognitive legitimacy as alcohol consumption became less taken-for-granted, and even replaced by new customs and consumption patterns. The pressures toward deinstitutionalization, as also reflected by the changes in the regulative and normative pillars of alcohol consumption, aggravated the three challenges we identified and thus posed a serious existential threat to alcohol producers.

As the alcohol industry became enrolled in the field as actors with a stake in the issue, they engaged with the issue as individual actors as well as through traditional industry associations. However, from the 1970s onward a new organizational form began to emerge when alcohol producers began to set-up new organizations that focused exclusively on the issue of alcohol-related harm. For the purpose of this paper we refer to such organizations as Issue-Based Industry Collectives (IBICs). IBICs were the primary vehicles used for the collective activities that contributed to the institutionalization of a new paradigm of “responsible alcohol consumption” that contributed to the maintenance of the broader institution of alcohol consumption. In the following, we describe these organizations and their activities in more detail. In addition, we explore why this new organizational form emerged in the alcohol industry.

#### *Data Collection and Data Sources*

For our purposes in this paper, we rely on data from a larger ongoing study of industry collective action within the European alcohol industry. While we have studied the alcohol industry since 2007, we have focused on the issue of alcohol-related harm since 2010 and specifically studied the industry’s collective engagement with the issue since 2013. As a result we can rely on data about the general evolution of the alcohol industry and attention to the issue of alcohol-related harm, as well as extensive information on the establishment and activities of multiple IBICs. For the purpose

of this paper, we use parts of this data to explore the activities that firms may engage in collectively to maintain their position within a field in response to a social issue.

In particular, the following data sources have informed our theory in this paper: a database which identifies 48 unique IBICs in the alcohol industry and their characteristics, interviews with 18 industry insiders that are or were involved with an IBIC, and 131 archival documents in the form of organizational documents from prominent IBICs, popular books, academic papers, newspaper articles, and various (non-)governmental reports. We compiled the database ourselves by extending pre-existing data from Babor and Robaina (Babor 2010; Babor & Robaina 2013) through extensive web searches and simple coding exercises. The database identifies for each identified IBIC, year of establishment, year of dissolution (if applicable), country, type of activities (self-regulation, public advocacy/education, funding research) and supporting organizations. Our *interviews* were focused on (I) gathering an understanding of how attention to the issue of alcohol related harm in various European countries evolved, (II) how the industry experienced related pressures across regulative, normative and cultural-cognitive pillars, (III) how coordinated collective action emerged in response and (IV) the collective activities the industry has engaged in since. The informants were selected based on their association with IBICs and because of their key role in the development and/or operation of collective industry initiatives. *Organizational documents* have been collected on all IBICs in the Netherlands, the United Kingdom and Denmark due to our focus in the larger research project. However, for the purpose of this paper we also included data on international and US-based IBICs. The organizational documents include annual reports, websites, campaign material, independent reviews and debates of the IBICs activities. These documents gave us a better understanding of the IBIC, their emergence, specializations, and role in relation to the issue of alcohol-related harm.

As a secondary data source we collected *public documents* on the issue of alcohol-related harm more broadly. This data include, books and articles on the history of alcohol, the temperance movement and the new-public health movement, as well as, public health reports from the world health organization, and status reports from local and regional government (e.g. countries and EU). This enabled us to get a more contextualized understanding of the evolution of the issue and the IBICs, but it allowed us to verify events described by our interviewees and in organizational documents.

## **THE ALCOHOL INDUSTRY'S COLLECTIVE RESPONSES TO THE ISSUE OF ALCOHOL-RELATED HARM**

In relation to the institutional changes described above, we theorize collective industry responses to social issues by describing the maintenance activities that we have observed in the alcohol industry. Building on Elsbach (1994), we distinguish between collective acknowledgment and collective defiance of an issue and focus on a case of the former. The alcohol industry's response to the issue of alcohol-related harm can be considered such a case due to the fact that there are multiple collective organizations that have acknowledged the potential risks associated with consumption of alcohol and have attempted to deal with the issue in a relatively transparent fashion. We realize that there may also be situations in which industries collectively disregard an issue or defy it completely, of which the tobacco industry is perhaps the best example (e.g. [Dearlove, Bialous, & Glantz, 2002](#); [Ong & Glantz, 2000](#)). Although defiance may also be a form of institutional maintenance, in the present paper we explicitly focus on the maintenance activities pursued by the alcohol industry that presuppose collective acknowledgment of the issue.

With the growing attention to the issue of alcohol-related harm during the second half of the 20<sup>th</sup> century, a new organizational form began to emerge when members of the alcohol industry

started to form new types of collective organizations that focused exclusively on addressing the issue of alcohol-related harm. These new collective organizations focused on the issue of alcohol-related harm via the creation of an alternative interpretation and approach to the issue, what we label the *responsible drinking paradigm*. Within this paradigm the industry collectively attempts to (1) delimit the issue to a “risk” group engaged in excessive drinking; (2) urge individuals to take responsibility; and (3) fuel an alternative research agenda on moderate drinking. The issue-based industry collectives were set up to have a much tighter mandate than traditional industry associations, which typically represent the interests of a particular category of producers (for example, beer brewers) across a wide range of issues. Figure 1 shows the emergence and proliferation of national and international IBICs in the alcohol industry over time. The figure reveals a clear tipping point in the proliferation of these organizations around the end of the 1980s and beginning of 1990s, right around the time when the New Public Health Movement had started to gain steam.

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Insert Figure 1 about here  
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Based on our research of the various instantiations of this organizational form in the alcohol industry, we argue that these issue-based industry collectives perform institutional maintenance through their explicit engagement with the issue of alcohol-related harm that centers on the institutionalization of the “responsible drinking” paradigm. The associated activities are organized around three interconnected, yet distinct, areas (self-regulation, public advocacy/education and funding of research) that each deal with a different pillar of the institutional environment.

### *Self-Regulation*

In response to the growing regulatory pressure inspired by the new public health movement, the alcohol industry has been collectively engaged with self-regulation since the late 1980s. We found that at least 24 IBICs (50%) in our database engaged in self-regulation. Through self-regulatory efforts, the industry has aimed to control the behavior of industry members collectively without the direct interference of state actors. In practice, the self-regulatory efforts of the alcohol industry have involved the development, implementation and enforcement of sales and marketing codes that move beyond what the laws are in a given local contexts. The codes aim to prevent alcohol producers from encouraging irresponsible drinking behavior. As such, alcohol-advertising codes typically prevent producers from displaying or encouraging any form of excess consumption, linking alcohol consumption to social success and targeting minors among other things. These efforts were typically a direct response to regulatory threats posed by national governments that were considering restrictions on advertisement of alcoholic beverages.

In the Netherlands, for instance, the government released a draft bill in 1985 entitled “Alcohol and Society” that proposed far-reaching changes in formal alcohol regulation. The draft bill came in response to the observation that there had been a threefold increase in alcohol consumption between 1960-1980 and growing concerns about the societal costs of alcohol-related harm. One of the critical components of the bill was a proposal to prohibit alcohol commercials on TV and radio. The bill was put to a vote in 1986, but did not gain a majority. Instead, the parliament encouraged the alcohol industry to self-regulate alcohol advertising. Subsequently, the industry developed a collective advertising code that was coordinated by a dedicated IBIC, Stichting voor Verantwoorde Alcoholconsumptie (STIVA).

STIVA had already been established in 1982 to address the issue of alcohol-related harm and was funded by all the associations of the three alcohol sectors in the Netherlands, thus uniting



beer, wine and spirits. Since its establishment it had been in a dialogue with the Dutch government and once the parliament chose self-regulation over government-regulation, STIVA became the logical body to initiate the development and implementation of an advertising code. After a long process that included negotiations with parties at seven different Dutch government ministries as well as the Stichting Reclame Code—an independent body that ensures compliance to advertising codes, the ‘Reclamecode voor Alcoholhoudende dranken’ (RvA) was formally accepted by the Dutch Secretary of State for Public Health in 1990. Apart from the STIVA members, which represented all the alcohol producers and off-trade distributors, the code was also signed by all the relevant industry associations in the on-trade sector.

Although the code is enforced through the Stichting Reclamecode, STIVA continues to coordinate many aspects of the code. This is exemplified by part of STIVA’s mission, which reads:

*“STIVA makes sure that the rules for alcohol advertising (RvA) are realistic and workable, yet also ambitious. STIVA continuously raises awareness about these rules and elucidates them for the industry. In addition, we also consider it important to inform politicians and society about this and to show that alcohol advertising takes into account any sensitivities.”*

(STIVA 2015)

Specifically, STIVA engages in three types of activities to maintain the code. First, it ensures that member organizations are informed about the content of the code. This involves a yearly symposium that STIVA organizes for marketing professionals that work with or for alcohol producers as well as frequent internal workshops for various organizations involved in the alcohol industry. Second, it coordinates further improvements to the code. For example, this involves the adaptation of rules in case they were found to be unclear or the addition of rules in the case of new advertising technologies such as social media. Third and finally, STIVA coordinates a compliance testing procedure that all alcohol advertising has to pass before it can be transmitted. In 2013, this involved evaluation of 50 television, cinema, and radio advertisements by a committee that includes representatives of the various STIVA members as well as three independent experts.

Although the Dutch alcohol industry was one of the first national alcohol industries to adopt a self-regulatory advertising code, many countries have followed since. In the United Kingdom, for instance, there has been a similar advertising code in place since 2004. This code was also developed, implemented and coordinated by an IBIC, The Portman Group.

### *Public Advocacy/Education*

Another important area of activity involves public advocacy and education related to a preferred solution to the issue of alcohol-related harm. In essence, such activities are geared toward creating a culture of “responsible alcohol consumption” by creating a public image of responsible alcohol producers, educating consumers about responsible drinking behavior, and diffusing “facts” about alcohol consumption. This was by far the most prevalent activity that IBICs in the alcohol industry engaged with as we were able to identify at least 44 IBICs (92%) that occupied themselves with public advocacy or education.

An important task for the IBICs set-up by the alcohol industry is to raise public awareness for the work that the industry is doing to reduce alcohol-related harm. In the United Kingdom, the alcohol industry established an IBIC (The Portman Group) in 1989 in part out of frustration with the portrayal of the industry in the media. The industry was bothered by the fact that many societal problems were perceived as being directly related to alcohol consumption (such as looting) and therefore also implicitly regarded as the responsibility of the producers (Industry Informant, 2015). The Portman Group’s initial aims were to raise public awareness about the activities the industry was already employing to encourage responsible alcohol advertising and consumption.

In addition, IBICs focus on educating individuals on how to consume alcohol responsibly, without risking harm to themselves or others. The fundamental assumption underlying this approach to the issue is informed by libertarianism and the idea that the state should not interfere in

what the individual chooses to do. If the individual has full knowledge of the potential harmful effects of alcohol (and the benefits) he or she will make an informed decision. Advocacy IBICs use this ideology as their mandate and therefore focus on informing risk groups of individuals of the potential damaging effects of alcohol. IBICs do not advocate abstinence, only in relation to underage consumers, instead they mainly focus on advocating the idea of moderate drinking and they often produce different campaigns targeted at high risk consumer groups, such as young people, pregnant women, parents and excessive drinkers. The alternative solution that these IBICs are advocating is to only target the risk groups, instead of broader policy efforts; and to limit the damaging use of alcohol while maintaining “normal consumption”—consumption within health authorities recommended guidelines. In their efforts they often refer to their practices as diffusing the “facts” related to alcohol consumption.

A prominent example of an advocacy IBIC is Drinkaware in the UK, which has become the only non-profit organization to have national alcohol campaigns covering all of the United Kingdom. Their aim is:

*...to raise awareness and encourage behaviour change by providing the public with accessible, objective and evidence-based tools and information about alcohol. We work with the health community, alcohol industry, government, public and third sectors to help achieve our aims.*

(Drinkaware 2015)

Public advocacy IBICs may connect different stakeholders with potentially different interests. Drinkaware is a spinoff organization of another IBIC, The Portman Group.<sup>1</sup> Originally established as a trust within The Portman Group, Drinkaware was spun off as a separate entity under pressure of the UK government in 2006 to ensure greater structural independence from the alcohol industry. While Drinkaware was originally funded by alcohol producers exclusively, a broader range of industry actors, including retailers, pubs and restaurants, now fund the

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<sup>1</sup> Today Portman Group focuses exclusively on self-regulation and advising alcohol producers in relation to responsible marketing.

organization as well. As in the case of the research IBIC, the organization has a board of trustees with different professional backgrounds and a medical advisory board, that work as an “*expert panel to ensure all our information and advice is based on the most up-to-date medical evidence*”. The broad membership base also means that the organization has a wide reach for its responsible drinking campaigns, since many include a reference to them on their website. Further, since 2013 all alcohol products in the UK have had a reference to the Drinkaware website ([drinkaware.co.uk](http://drinkaware.co.uk)) on all their packaging and campaign material, which has resulted in 8.3 million unique visitors in 2014. On the website, the consumers can read about: how to talk to their children about alcohol; what the recommended maximum amount of drinking is; take a test on their alcohol habits; or download an app to track and calculate their consumption of alcohol. As such, Drinkaware and other advocacy IBICs are advocating an alternative solution to the issue of alcohol-related harm, which is about providing individuals with tools that might in turn shape alcohol culture.

### *Research Funding*

Finally, we found that at least 23 IBICs (48%) in our database engaged in the funding of research. Research is a fundamental part of our society and is often used to make arguments for regulatory efforts and inform the media and public about the general state of the world. As such, research forms the “truths” in the world that are born out of a process of “fact-making” ([Maguire 2004](#)). With the new-public health movement, actors within the alcohol industry became concerned with, what they perceived as, the one-sided focus in the public debate on the potential harms caused by alcohol consumption and the persistent focus on the effects of excessive drinking in research. At that time, the public debate and scientific research was predominantly under the influence of global health communities and organizations such as the WHO. The line of research produced through

theses communities informed policy makers and was frequently used to support decisions to tighten alcohol regulation.

One of the foundational pieces for this work was Sully Ledermann's "single distribution theory" of alcohol consumption ([Cook & Skog 1995](#); [Ledermann 1956](#)). Based on localized longitudinal data on mortality in France, Ledermann proposed that there was a direct link between the overall level of alcohol consumption in a particular region and instances of alcohol abuse. Researchers in Ontario and several Nordic countries subsequently reported similar patterns ([De Lint & Schmidt 1968](#); [Skog 1971](#)). Jointly, this research shifted consensus about the antecedents of alcohol abuse from being attributed to personal characteristics to being attributed to societal characteristics. The WHO used this research to justify proposed measures, such as increased excise taxes and bans on advertisement, to decrease alcohol consumption ([Cook & Skog 1995](#)).

Representatives of the alcohol industry disputed the logic behind Ledermann's theory. They claimed that an increase in alcohol consumption does not always have to lead to an increase in the incidence of alcohol abuse, but could also go hand in hand with responsible drinking attitudes that they claimed were more likely when wealth increases (Industry Informant, 2014). Apart from epidemiological research on alcohol consumption, such as Ledermann's work, alcohol industry representatives were also critical of biomedical research on alcohol. In their opinion, research predominantly examined the health effects of excessive alcohol consumption, while ignoring effects of moderate alcohol consumption. In response to this dearth of research, as they experienced it, and growing regulatory pressure, a community of alcohol actors decided to encourage more research on alcohol-related topics, particularly focusing on the health effects of moderate alcohol consumption (ABMRF, 2012; Industry Informant, 2011). This particular research focus was, in part, inspired by new work on the relationship between alcohol and cardiovascular conditions that had shown evidence for health benefits related to moderate alcohol consumption (Klatsky et al. 1974).

Today, there is a stream of research on alcohol consumed in moderation, with more than 300 articles on the topic in 2012 alone (ABMRF 2012). Part of this research is supported by research focused IBICs, which fund biomedical and behavioral research on alcohol and its effects by inviting researchers to apply for grants. An important and central example of a research IBIC is the Foundation for Alcohol Research (ABMRF), which was established in 1982.<sup>2</sup> The initial idea for engaging the industry in research arose in 1969 in the U.S. and Canada when the president of the brewers association, Henry B. King, sought medical advice concerning the problem and challenges of the use of cobalt in beer.<sup>3</sup> While the initial focus was on securing the safety of the product, their focus has since become general health more broadly, and in particular moderate drinking (Industry informant, 2011; ABMRF, 2012). Today, they state their mission as being:

*“To achieve a better understanding of the effects of alcohol on the health and behavior of individuals; To provide the scientific basis for prevention and treatment of alcohol misuse and alcoholism; To fund innovative, high quality research; To support promising new investigators; To communicate information effectively with the research community and other interested parties.”*  
(ABMRF, 2012:22)

The mission statement and organizational set up, with a mixed board of trustees consisting of “public members” and “industry members”, highlights the organization’s commitment to research and downplays the industry’s involvement, though their financial support is not masked from the public. This is further substantiated in the expert councils—a medical council and a behavioral and social advisory council that evaluate applications for research grants (ABMRF 2012; ABMRF 2015). The research projects that the organization seeks to fund address alcohol addiction, excess drinking, and “the mechanisms underlying the effects of moderate alcohol consumption”. Via their focus on moderate drinking in their research grants, they advance an alternative line of

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<sup>2</sup> ABMRF has consistently been funded by a coalition of beer brewers. However, since 2015 all beer brewers have stopped funding the organization and, currently, the ABMRF is hoping to secure other sources of funding.

<sup>3</sup> The beer industry had used cobalt in beer improved the foam properties but it turned out that even in small amounts the use of cobalt could be fatal, and 2-3 people died (Industry informant, 2011).

alcohol research, not only focused on the effects of excessive drinking but on “...*the effects of moderate alcohol consumption on health*” (ABMRF, 2012:2).

A sister organization has since been developed in Europe: the European Foundation for Alcohol Research (ERAB), which was established in Brussels in 2003 by the Brewers of Europe.<sup>4</sup> Similar to the ABMRF, the ERAB has been organized to represent different interests, with an independent board of directors and an advisory board of researchers (ERAB 2015). Both ABMRF and ERAB are collaborations between beer brewers that operate internationally. However, there are also research IBICs that operate at the national level and that span all alcohol categories, which include Institut de Recherches Scientifiques sur les Boissons in France, Osservatorio Permanente sui Giovani el’Alcool in Italy, the Korean Alcohol Research Foundation, and Stichting Alcohol Research in the Netherlands.

### **COLLECTIVE INSTITUTIONAL MAINTENANCE**

As we have illustrated above the emergence of the issue of alcohol-related harm led to the emergence of a new organizational form, the Issue-Based Industry Collective (IBIC). The activities that we have identified above can be considered as different forms of collective institutional maintenance that target different aspects of the institutional environment via the creation of the responsible drinking paradigm. The creation of this paradigm involved the construction of an alternative definition or framing of the issue of alcohol-related harm, which challenged the definition supported by the public health movement (i.e. WHO) and, as such, could be regarded as a counter movement (Meyer & Staggenborg 1996). In this section, we build on concepts from research on institutional work ([Lawrence & Suddaby 2006](#)) in order to classify the various activities of IBICs and relate them to the different institutional pillars of alcohol consumption introduced

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<sup>4</sup> The Brewers of Europe are responsible for approximately 90 percent of beer sales in Europe.

earlier. In addition, we theorize why there may be a need to engage in these activities in a collective fashion through the creation of IBICs.

*Collective Activities and the Institutional Pillars*

The purposive collective activities that we have described are all, in one way or another, contributing to the maintenance of the institution of alcohol consumption, through the creation of the responsible drinking paradigm. One could debate about the degree to which engagement with these collective activities was fully strategic (cf. Jepperson, 1991; [Lawrence & Suddaby, 2006](#)). Nevertheless, each set of activities addresses one of the institutional pillars and the related issue-based legitimacy challenges as outlined in Table 2. Overall, the three categories of collective institutional maintenance outlined in the previous section (research funding, self-regulation and public advocacy) capture a wide range of maintenance activities that the IBICs of the alcohol industry are engaging in. In Table 2, we have included the most prominent examples of maintenance activities for each category. Some of the maintenance activities that we observe are similar to forms of institutional work that Lawrence and Suddaby (2006) have previously outlined. These appear below in italics. However, we found that, although all activities ultimately contributed to the maintenance of the institution of alcohol consumption, several activities were more resembling of forms of work that Lawrence and Suddaby (2006) associate with institutional creation since they contributed to the creation of the emerging responsible drinking paradigm.

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Insert Table 2 about here  
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Actors within the alcohol industry have addressed potential legal sanctions (regulative pillar) via the collective development of self-regulation efforts and establishment of IBICs to develop, support and enforce the codes. The intended effects of these initiatives are twofold: to limit



formal legislation and to signal the industry's commitment to solving the issue(s). Hence, these activities could be regarded as a form of *enabling work* in that the creation of codes enables and supports existing practices and institutions. Self-regulation is preferred over formal statutory regulation, because this might be less restrictive, sanctions might be less severe (see also [King and Lenox, 2000](#)), and the industry members could continue their business practices with limited interference. In addition, the activities of self-regulation IBICs involve *policing work* geared toward ensuring industry wide compliance to the codes.

As for public advocacy, maintenance activities primarily focus on the moral dimensions related to alcohol consumption (normative pillar). Through their work, IBICs urge individuals to take the responsibility for adopting healthy, responsible and “normal” drinking habits. In their advocacy efforts, the IBICs are *valorizing* the responsible drinker and the designated driver while *demonizing* the excessive drinkers and limiting the problem to the few. Thus, they attempt to maintain the normalization of alcohol consumption as a legitimate part of various social occasions. In the process, they also support a process of *educating, embedding and routinizing* the alcohol consumption guidelines that health authorities have produced, through their information and education material and consumption applications for smartphones. Hence, they are both creating consumer knowledge about responsible drinking, and defusing the ideas of what it means to be responsible, which ultimately both support the new responsible drinking paradigm and maintain the institution related to alcohol consumption.

Most importantly, however, the legitimacy of alcohol consumption is ultimately dependent on research. If at some point there were to be a vast amount of evidence showing that alcohol is always, and beyond a doubt, harmful, the product might be delegitimized, as we have seen with tobacco (cultural-cognitive pillar). Today, this is not (yet) the case with alcohol but the crucial nature of research that focuses on the potential benefits of alcohol, is worth noting. Hence, the

funding of research should also be considered a core element in the industry's collective maintenance activities.

### *The Need for Business Collective Action*

It is interesting that this new form of organizations emerged, because one could imagine that the type of actions outlined above could have been executed by the organizations individually, through conventional industry associations or even through the funding of existing non-profit organizations within the alcohol and health area. Instead, these IBICs essentially function as industry supported social movement organizations that promote the responsible drinking paradigm. We propose that the IBICs emerged as vehicles for collective institutional maintenance due to two challenges, which were to a certain degree unique to the issue of alcohol-related harm. One challenge is symbolic in nature and relates to the contested legitimacy of industry engagement with social issues. The other challenge is more technical in nature and relates to the pragmatic organization of collective responses.

First, there was a symbolic challenge in relation to the public's perception of the alcohol industry's engagement with the issue of alcohol-related harm. Industry engagement with the issue was often met with great skepticism by the medical profession and general public who frequently challenged the motives behind the industry's engagement and the effectiveness of their proposed solutions to reduce the societal costs of alcohol-related harm ([Babor 2009](#); [Yoast et al. 2002](#); [Jernigan 2009](#)). Clemens has previously argued that actors that are denied conventional modes of exercising voice or influence are forced to employ unconventional approaches ([Clemens 1993](#); [Scott 2013: 125](#)). In line with this argument, our observations suggest that the IBICs emerged as a new form to provide a portal through which the industry could gain influence in an area that was otherwise inaccessible to them through more conventional means. We argue that IBICs provided

actors within the alcohol industry with more legitimate means to engage with the issue than pre-existing collective organizations. Whereas traditional industry associations are visible vehicles that are known to protect the industry's interests, IBICs are less visible industry vehicles, at arm's length, and as such may gain legitimacy benefits from their relative disassociation from the industry.

In addition, the IBICs became a means through which the maintenance activities can gain legitimacy by association and co-creation. Co-creation or co-shaping is defined by the engagement of a range of actors with different interests, who are closely involved in the creation process. The outcome of such a process has the potential to be legitimate within several domains, such as business and research ([Garud & Karnoe 2003](#)). Several of the IBICs had a board of trustees with professional members and a medical advisory board. The close ties to science and "truth" is emphasized, and through grant applications researchers are invited to create research on the effects of moderate drinking. Co-creation is also emphasized, as the IBICs often collaborate with public agencies and health professionals, which also signal that their activities are more credible, as many credible actors have been involved in the creation of their programs, such as the responsible drinking campaigns. However, although any form of partnering between industry and public health is often met with substantial skepticism ([Munro 2004](#)), this co-creation and association seems to only be possible in the IBIC. It would be almost inconceivable for individual alcohol producers to create the same close ties to research.

Second, there was a more technical challenge in relation to the coordination of collective activities. The issue of alcohol-related harm was perceived as a shared challenge that the industry had to somehow tackle collectively to shield the industry from the issue of alcohol related-harm and the deinstitutionalization of alcohol consumption. In this case it would not have been enough that one or a few actors engage with the issue, it had to be a coordinated response. The challenge is

particularly relevant in relation to self-regulation efforts, where the misbehavior of one company (e.g. aggressive marketing towards adolescents) can cause spillover harm to other actors within the industry ([Barnett & King 2008](#); [Desai 2011](#); [Jonsson et al. 2009](#)).

According to Axelrod (1990), one of the primary reasons for the initiation of cooperating efforts is responding to threats, the other is the pooling of resources. In the case of IBICs, the pooling of resources is also an important factor. However, the issue was a cross-category challenge, not simply a challenge for wine, spirits and beer producers, in isolation. Thus there was a need to develop organizations with a broader cross category focus, which were not submerged in the traditional segregated mindset (e.g. wine vs. beer vs. spirits). In fact, we identified that 32 IBICs in our database (67%) were supported by multiple categories of alcohol producers, which suggests that one important reason for why these organizations emerge was to coordinate cross-category efforts. Perhaps most importantly, there was a need to have an organizational set-up that addressed the issue exclusively, rather than having existing industry associations taking on additional roles, which might not give the issue the focus needed.

## **DISCUSSION AND CONCLUSION**

In this paper, we have addressed the question of how firms may collectively maintain their legitimacy in response to a social issue. We have argued that there has been relatively scant research in this important area and have aimed to inspire new research by showing the value of using institutional theory in relation to this topic. We have built on our insights from the alcohol industry to show that social issues may pose legitimacy threats for organizations in the affected field that resemble processes of deinstitutionalization. In addition, we have described the unique organizations that have emerged in the alcohol industry to address the issue of alcohol-related harm

and have analysed how their activities may be interpreted as forms of institutional maintenance directed at various institutional pillars.

With our efforts we aim to make three concrete contributions to the literature at the intersection between social issues management ([Desai 2011](#); [Elsbach 1994](#); [Hillman et al. 2004](#); [Deephouse & Heugens 2009](#); [McDonnell & King 2013](#)) and institutional theory ([Hoffman 1999](#); [Scott 2013](#); [Schneiberg & Lounsbury 2008](#); [Lawrence & Suddaby 2006](#); [DiMaggio & Powell 1991](#)). First, we aim to enrich research on social issues management by forwarding a conceptualization of social issues as potential field-level pressures toward deinstitutionalization. Second, we aim to inspire more research on business collective action by identifying and describing a new organizational form, the issue-based industry collective (IBIC), as a unique organizational vehicle that industry actors may use to engage in collective maintenance in response to issue-based pressures toward deinstitutionalization. Third and finally, we aim to enrich institutional theory by describing the wide variety of collective activities that firms may engage in when trying to maintain their positions in the field. We discuss each contribution in further detail below and conclude with directions for future research on the subject.

#### *Issue-Based Legitimacy Threats as Deinstitutionalization Pressures*

Whereas the extensive body of existing research on social issue management (e.g. [Desai, 2011](#); [Elsbach, 1994](#); [Walker, 2012](#)) has done relatively little to conceptualize the issue-based legitimacy threats that organizations may face, we have built on institutional theory to offer a richer understanding of this phenomenon. In doing so, we argue that the issue-based legitimacy threats that organizations in particular industries may be confronted with could be regarded as potential pressures toward deinstitutionalization that emanate from broader social movements. Such a

conceptualization of social issues facilitates a better understanding of the activities that organizations may engage with in response.

As previous research on the subject has often limited itself to the organizational-level of analysis it has somewhat neglected the fact that issues and responses are often embedded in a broader organizational field. Organizational fields draw together a divergent set of actors with a stake in a particular issue who may hold competing views about how an issue should be framed and addressed ([Hoffman 1999](#); [Meyer & Hollerer 2010](#); [Schneiberg & Soule 2005](#)). In addition, one can distinguish between multiple “institutional pillars” of a field, such as regulative, normative and cultural-cognitive pillars, which could be considered sub-arenas for contention ([Hoffman 1999](#); [Scott 2013](#); [Maguire & Hardy 2009](#)). Whereas previous research on the topic has often focused on organization’s maintenance activities related to one pillar, typically the regulative or normative pillar, in this paper we detail how organizations faced with deinstitutionalization pressures may collectively employ a bundle of maintenance activities that influence the multiple institutional pillars of the issue-based field simultaneously.

Although we have argued that issue-based legitimacy threats may pose deinstitutionalization pressures, an important distinction needs to be drawn between deinstitutionalization pressures and actual deinstitutionalization. Whether or not deinstitutionalization actually occurs may depend on the effectiveness of maintenance activities that affected actors may engage in. As such, the absence of observable deinstitutionalization does not necessarily mean the absence of any pressures toward deinstitutionalization. In case of the alcohol industry, it appears that the industry’s maintenance activities have had an important effect on the field as alcohol consumption continues to be a fairly heavily institutionalized practice. It is interesting to compare the situation of the alcohol industry to that of the tobacco industry. Both industries faced very similar deinstitutionalization pressures fuelled by the WHO. However, it is

evident that tobacco has faced greater actual deinstitutionalization than alcohol. As such, distinguishing between deinstitutionalization pressures and actual deinstitutionalization is essential in order to assess the effectiveness of collective maintenance activities.

In addition, it is important to note that deinstitutionalization is a multilevel phenomenon. The limited previous research on the subject has explicitly looked at deinstitutionalization at the practice level ([Maguire & Hardy 2009](#); [Oliver 1992](#)). However, the challenging of core practices in a field is likely to go hand-in-hand with pressures toward deinstitutionalization at the field level. For example, the deinstitutionalization of particular consumption and advertising practices related to tobacco has seriously affected the survival of the tobacco industry. Ultimately, the alcohol industry thus faces the same field-level challenge. Relatedly, Maguire and Hardy (2009) found that, at the practice level, the use of the chemical DDT became deinstitutionalized after successful challenges from outsiders. However, in the process, the pesticide industry also faced field-level pressures toward deinstitutionalization as outsiders proposed alternative solutions that avoided the use of chemicals in farming all together. As Maguire and Hardy (2009: 173) report, the industry was ultimately successful in fending off this challenge as DDT became replaced with “safer” chemicals. As such, understanding the multilevel nature of deinstitutionalization hazards allows one to acknowledge that although battles may be fought over at the practice level, the “war” is ultimately won or lost at the field-level (cf. Maguire & Hardy, 2009: 173).

### *IBICs as Unique Organizational Forms for Collective Institutional Maintenance*

Another contribution of our work is the identification and conceptualization of a new organizational form, the Issue-Based Industry Collective (IBIC). Whereas prior research has studied collective activities that organizations within a similar industry may engage in, how they organize such collective efforts is a topic that has been undertheorized. In our paper, we have identified and

described the various unique collective organizations set-up by the alcohol industry to address the issue of alcohol-related harm. Theorizing these unique organizations and identifying them as important subjects of empirical study should help in achieving an enriched understanding of how organizations may collectively respond to social issues affecting their field.

We have defined IBICs as non-profit organizations that are established and funded by multiple industry actors in order to engage with a particular social issue. Since organizations can engage with an issue in multiple manners, IBICs can embrace a multitude of activities. Well-studied examples are: self-regulation through the development, implementation and maintenance of codes of conduct ([King & Lenox 2000](#)) or certification schemes ([Zietsma & McKnight 2009](#)) and perception management through the construction and dissemination of rhetorical accounts ([Elsbach 1994](#); [Desai 2011](#); [McDonnell & King 2013](#)). However, seldom has research addressed the fact that these activities may all serve the same purpose, that is institutional maintenance, and that organizations thus face a challenge in deciding how and to what extent to coordinate these activities collectively. Our study of the alcohol industry suggests that when a social issue is perceived to pose a substantial pressure toward deinstitutionalization, organizations are likely to engage in these activities collectively through the establishment of dedicated organizations such as IBICs.

IBICs are likely to combine characteristics from a variety of other organizational forms. From an institutional perspective, IBICs could be seen as a type of legitimating organization ([Trank & Washington 2009](#)). Similar to professional associations ([Lawrence 2004](#); [Greenwood et al. 2002](#)) or accreditation agencies ([Trank & Washington 2009](#); [Durand & McGuire 2005](#)), IBICs are “established to confer legitimacy to other actors and organizations” (Trank & Washington, 2009:237). For example, drawing from our case description above, STIVA and The Portman Group worked to maintain legitimacy for the broader alcohol industry through the development and implementation of an advertising code and through public advocacy related to the industry’s



responsible acknowledgment of the issue of alcohol-related harm. However, IBICs are also distinct from other types of legitimating organizations, as they are deliberately set-up to engage with the beliefs and behaviours of other actors in the field apart from its members, and ultimately advance and defuse the responsible drinking idea and movement. In this way, IBICs may be important vehicles that allow organizations to act like social movements themselves when countering the pressures arising from public social movements (Soule 2012). As such, IBICs may share a number of characteristics with social movement organizations (SMOs) (McCarthy & Zald 1977; McCarthy & Wolfson 1996)

However, more than any other legitimating organization or social movement organization, IBICs may provide industry-made portals through which both industry actors and public actors come to engage in co-creation of their institutional environment (Mena & Waeger 2014; Maguire & Hardy 2009; Zietsma & McKnight 2009). As such, IBICs may also resemble cross-sector partnerships (Koschmann et al. 2012; Selsky & Parker 2005).

#### *Collective Maintenance Activities in Response to Deinstitutionalization Pressures*

Finally, our paper contributes to research on institutional maintenance by introducing an understudied range of activities that organizations may employ to defend their positions. Whereas previous research on field-level maintenance work has focused on the conscious and strategic attempts of incumbents to defy challenges to the status quo ([Maguire & Hardy 2009](#); [Zietsma & Lawrence 2010](#)), our study calls attention to forms of collective maintenance work that incumbents may engage in that are more emergent and accommodating to challenges to the status quo. Our observations from the alcohol industry suggest that the latter form of maintenance work may ultimately be more effective in maintaining the legitimacy of existing institutional configurations.

Whereas organizational theorists often make clear distinctions between the organization and its environment, institutional theory, and in particular movement institutionalism (Schneiberg & Lounsbury 2008), recognizes that there is a mutually constitutive relationship between organizations and their environment. In other words, organizations take part in the construction of the institutions in which they operate. Here, we have illustrated how organizational actors may come together and collaborate to both maintain and at the same time reshape their collective context.

In her study of the Californian cattle industry, Elsbach (1994) found that organizational accounts of controversial events that included an acknowledgment were more effective in restoring legitimacy than when they included a denial. Our study of the alcohol industry's response to the issue of alcohol-related harm suggests that the same distinction could be applied to the collective activities of industry incumbents. In the case of the alcohol industry, we found that, by and large, industry representatives had acknowledged the potential risks associated with alcohol consumption and advertising early on. This paved the way for the establishment of issue-based collective organizations that openly engaged with the issue of alcohol-related harm in order to protect the long-term interests of the industry. In other cases, where such collective acknowledgment is absent, IBICs may be less likely to emerge. Instead, organizations may be more likely to resort to established collective organizations, such as trade associations, to coordinate a collective response that protects their interests. Alternatively, organizations may resort in more devious forms of collective action through, for instance, "astroturfing" and the creation of "front groups" that defend the status quo by posing as civil society groups ([Walker 2009](#); [Leitzinger 2014](#)).

We found that the collective acknowledgment of the issue within the alcohol industry led to maintenance activities that did not only resemble institutional maintenance work but that also involved institutional creation work ([Lawrence & Suddaby 2006](#)). The institutionalization of the

responsible drinking paradigm could be viewed as institutional creation work that ultimately serves the purpose of maintaining the overarching institution of alcohol consumption. As such, the activities that the alcohol industry engaged in always had two aspects. On the one hand, they were geared toward creating new institutional elements related to the notion of responsible drinking. On the other hand, however, these efforts ultimately led to the maintenance of alcohol consumption as a legitimate institution. We believe that the multiplicity of forms of institutional work that may be associated with institutional maintenance is an important addition to the literature that has, up until now, mostly detailed the more one-dimensional forms of institutional maintenance work that incumbent actors may engage in. In any case, we hope our work contributes to a more complete and realistic understanding of how incumbent actors may maintain the institutions that provide them with their *raison-d'être*.

#### *Future Research*

We see multiple important directions for future research on issue-based industry collectives (IBICs) and collective institutional maintenance that our work may inspire. First, there is a need for more research on the different forms of business collective action can take in order to maintain existing institutional configurations. We have suggested that IBICs are a distinct form of business collective action that serves a different purpose than traditional industry associations and corporate front groups. However, we lack a conceptualization of the exact dimensions across which these types of business collective action differ.

Even within the context of the alcohol industry we observed considerable diversity in the structure of the various IBICs. For example, an important distinction between the different IBICs in the alcohol industry is the degree to which industry “outsiders” are involved in the governance of these organizations. Whereas some IBICs, such as Drinkaware, had an independent board of

trustees that existed of individuals without any affiliation with alcohol producers, other IBICs, such as STIVA, were largely governed by representatives of the alcohol industry.

Relatedly, IBICs varied in the degree to which they were transparent about their financial donors. Although none of the IBICs observed completely hid the identity of their funders, certain IBICs (such as STIVA) were more forthcoming about the fact that their activities were directly funded by the industry. As such, we observed different degrees of stakeholder engagement and openness among the business collectives studied. Future research could further theorize the dimensions across which collective industry organizations, such as IBICs, may differ.

In addition, future research could study the evolution of IBICs and trace the microprocesses through which these organizations are morphed by the potential tensions associated with industry and societal interests. For example, we found that the IBIC Drinkaware continues to evolve and increasingly aims to rid its governance structure from any suggestion of industry interests. How such changes may take shape and affect individuals within the organization is an area of study that could provide insights that are relevant for a broad range of research, including work on hybrid organizations (e.g. [Battilana & Dorado, 2010](#); [Di Domenico, Tracey, & Haugh, 2009](#)).

Finally, another interesting avenue for future research relates to the emergence of IBICs. Through our observation of the alcohol industry we noticed that since IBICs form around issues rather than markets they are likely to cross important category boundaries. For instance, in the case of the alcohol industry, the establishment of IBICs frequently involved coalition building among three categories of alcohol producers: beer, wine and spirits. Traditionally, there have been strong boundaries between these categories reflected in reluctance to be associated with the other category. In the past, the different categories of producers have been affected differently by and have had different responses to the societal concerns about the potential harm of their products. Beer brewers

used to advocate, in places with success, that there alcoholic beverage was superior to other beverages due to its relatively low alcohol content. Wine makers have typically been able to avoid public scrutiny all together as wine consumption was mainly accessible to the elites and therefore not seen as a public problem. Spirits producers have historically been affected more heavily by deinstitutionalization pressures related to historical temperance movements, which is most clearly reflected in unfavourable taxation policies.

The existence of strong category boundaries among organizations affected by the same issue exacerbates collective action problems. Interestingly, we have observed variance in the degree to which such collective action problems were overcome in the alcohol industry. In particular countries, such as the Netherlands, all IBICs crossed multiple categories. However, in other countries, such as Denmark we have observed more fragmented engagement with the issue. Similarly, at the international level there appears to be greater fragmentation as well. In order to explain why such variation in collective organizing may occur we think future research should examine the institutional factors that may facilitate business collective action and the emergence of these unique collective organizations.

In sum, we believe our study shows how institutional theory provides a valuable lens in understanding organizational responses to social issues and opens up a variety of interesting new research directions in relation to business collective action.

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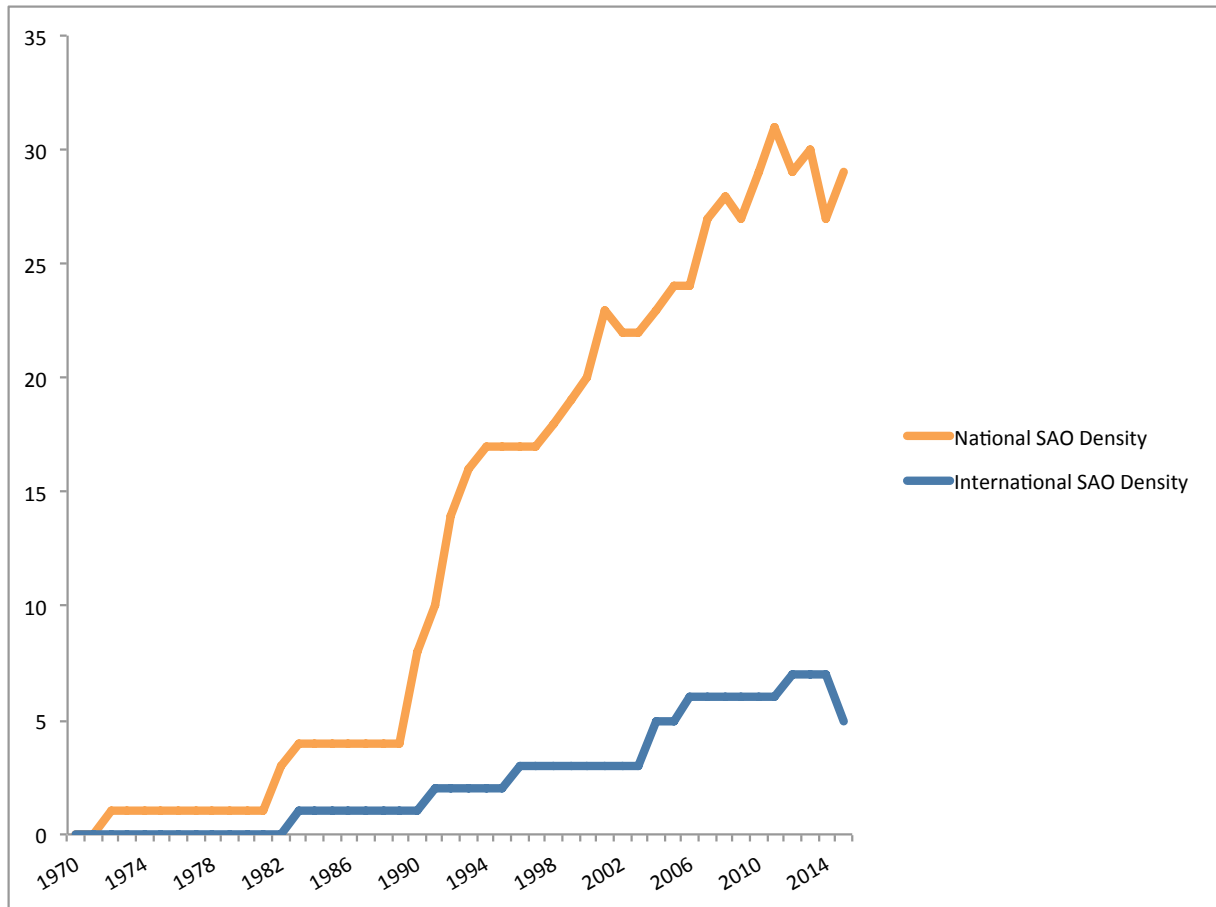
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**Figure 1.** Number of Active National and International IBICs in the Alcohol Industry Over Time



**Table 1.** Pressures toward Deinstitutionalization in the Alcohol Industry across the Three Institutional Pillars

<b>Institutional Pillars</b>	<b>Issue-Based Legitimacy Challenges</b>	<b>Changes in the Institutional Pillars of Alcohol Consumption</b>	<b>Challenges Posed to Alcohol Producers</b>
Regulative	Legal sanctions undermine pragmatic legitimacy	Increased government regulation related to: <ul style="list-style-type: none"> <li>- Excise taxes;</li> <li>- Distribution restrictions;</li> <li>- Advertising restrictions;</li> <li>- Legal drinking age;</li> <li>- Blood alcohol content (BAC) while driving.</li> </ul>	
Normative	Social disapproval taints moral legitimacy	Shifting norms related to alcohol consumption in relation to: <ul style="list-style-type: none"> <li>- General consumption patterns (frequency and quantity);</li> <li>- Children and young adults;</li> <li>- Driving;</li> <li>- Work.</li> </ul>	<ol style="list-style-type: none"> <li>1. Declining trustworthiness with policy makers and the public.</li> <li>2. Decreased ability to position brands in the market place.</li> <li>3. Shrinking market.</li> </ol>
Cultural-cognitive	Deinstitutionalization reduces cognitive legitimacy	Decoupling of alcohol consumption from culture such as in terms of: <ul style="list-style-type: none"> <li>- Decreased association of alcohol with social gatherings as evident by the decline of pubs and the rise of coffee shops;</li> <li>- Greater awareness of the potential negative health effects of alcohol misuse.</li> </ul>	

**Table 2.** Collective Maintenance in the Alcohol Industry across the Three Institutional Pillars

<b>Institutional Pillars</b>	<b>Issue-Based Legitimacy Challenges</b>	<b>Collective Maintenance Activities</b>	<b>Concrete Effects</b>
Regulative	Legal sanctions undermine pragmatic legitimacy	<b>Self-Regulation</b> -Producing codes/limit formal legislation ( <i>enabling work</i> ) -Implementing and ensuring compliance ( <i>policing</i> )	1. Maintaining trustworthiness with policy makers and the public.  2. Maintaining ability to position brands in the market place.  3. Preventing the market from shrinking further.
Normative	Social disapproval taints moral legitimacy	<b>Public Advocacy</b> -Urging individuals to take responsibility ( <i>valorizing and demonizing</i> ) -Maintain the normalization of alcohol consumption, though in moderate form ( <i>educating, embedding and routinizing</i> )	
Cultural-cognitive	Deinstitutionalization reduces cognitive legitimacy	<b>Funding Research</b> -Fueling an alternative research agenda and producing facts on moderate alcohol consumption and health effects	