Performance assessment of social responsibility issues considering ISO 26000

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Abstract: Business and organizations do not operate in a vacuum. Their relationship to the society and environment in which they operate is a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance. Standard of Social Responsibility (SSR) provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society. Organizations around the world, and their stakeholders, are becoming increasingly aware of the need for and benefits of socially responsible behavior. The objective of social responsibility is to contribute to sustainable development.

Keywords: Social Responsibility, ISO 26000, Organization, Human Rights, International Laws

1. Introduction

ISO, the International Organization for Standardization, launched an International Standard providing guidelines for social responsibility (SR) named ISO 26000 or simply ISO SR. It was released on 1 November 2010. Its goal is to contribute to global sustainable development, by encouraging business and other organizations to practice social responsibility to improve their impacts on their workers, their natural environments and their communities. [1]

It also provides guidance to all types of organizations, regardless of their size or location, on:

1. Concepts, terms and definitions related to social responsibility;
2. The background, trends and characteristics of social responsibility;
3. Principles and practices relating to social responsibility;
4. The core subjects and issues of social responsibility;
5. Integrating, implementing and promoting socially responsible behavior throughout the organization and, through its policies and practices, within its sphere of influence;

The SSR is intended to promote common understanding in the field of social responsibility, and to complement other instruments and initiatives for social responsibility, not to replace them. Also, it provides organizations with guidance concerning social responsibility and can be used as part of public policy activities. However, for the purposes of the Marrakech Agreement establishing the World Trade Organization (WTO), it is not intended to be interpreted as an "international standard", "guideline" or "recommendation", nor is it intended to provide a basis for any presumption or finding that a measure is consistent with WTO obligations. Further, it is not intended to provide a basis for legal actions, complaints, defenses or other claims in any international, domestic or other proceeding, nor is it intended to be cited as evidence of the evolution of customary international law.

Being Socially Responsible means that people and organizations must behave ethically and with sensitivity toward social, cultural, economic and environmental issues. Striving for social responsibility helps individuals, organizations and governments have a positive impact on development, business and society with a positive contribution to bottom-line results.

1.1. Definition of 'Social Responsibility'

The idea that companies should embrace its social responsibilities and not be solely focused on maximizing

profits. Social responsibility entails developing businesses with a positive relationship to the society which they operate in. According to the International Organization for Standardization (ISO), this relationship to the society and environment in which they operate is "a critical factor in their ability to continue to operate effectively. It is also increasingly being used as a measure of their overall performance."

Many companies, particularly "green" companies have made social responsibility an integral part of their business models. What's more, some investors use a company's social responsibility - or lack thereof - as an investment criterion. For example, one who has a moral (or other) objection to smoking, may not want to invest in a tobacco company.

That said, not everybody believes that business should have a social conscience. Noted economist Milton Friedman noted that the "social responsibilities of business are notable for their analytical looseness and lack of rigor." Friedman believed that only people could have social responsibilities. Businesses, by their very nature, cannot.

1.2. Voluntary Guidance Standard for All Organization

ISO 26000 offers guidance on socially responsible behavior and possible actions. There are three ways it is different from the more widespread standards designed for companies to use to meet particular requirements for activities such as manufacturing, managing, accounting and reporting.

1) ISO 26000 is a voluntary guidance standard- that is, it does not contain requirements such as those used when a standard is offered for "certification". There is a certain learning curve associated with using ISO 26000, because there is no specific external reward - certification - explicitly tied to ISO 26000. ISO recommends that users say, for example, that they have "used ISO 26000 as a guide to integrate social responsibility into our values and practices."

2) ISO 26000 is designed for use by all organizations, not only businesses and corporations. Organizations, such as hospitals and schools, charities (not-for-profits), etc. are also included. ISO 26000 makes particular efforts to show that its flexibility means that it can be applied by small businesses and other groups as well [2] So far, many of the earliest users of ISO 26000 have been multi-national corporations, especially those based in Europe, and East Asia, particularly Japan.

3) ISO 26000 was developed through a multi-stakeholder process, meeting in eight Working Group Plenary Sessions between 2005 and 2010, with additional committee meetings and consultations on e-mail throughout the five year process. Approximately five hundred delegates participated in this process, drawn from six stakeholder groups: Industry, Government, NGO (non-governmental organization), Labor, Consumer, and SSRO (Service, Support, Research and Others - primarily academics and consultants). Leadership of various task groups and committees was "twinned" between "developing" and "developed" countries, to ensure viewpoints from different economic and cultural contexts.

Since ISO operates on a parliamentary procedure form based on consensus, the final agreed-on standard was the result of deliberation and negotiations; no one group was able to block it, but also no one group was able to achieve its objectives when others strongly disagreed. The goal was to make ISO 26000 accessible and usable by all organizations, in different countries, precisely because it reflects the goals and concerns of each and all of the stakeholder groups in its final compromise form.

1.3. Key Principles and Core Subjects of ISO 2600

The Seven Key Principles, advocated as the roots of socially responsible behavior, are:
- Accountability
- Transparency
- Ethical behavior
- Respect for stakeholder interests (stakeholders are individuals or groups who are affected by, or have the ability to impact, the organization's actions)
- Respect for the rule of law
- Respect for international norms of behavior
- Respect for human rights

The Seven Core Subjects, which every user of ISO 26000 should consider, are:
- Organizational governance
- Human rights
- Labor practices
- Environment
- Fair operating practices
- Consumer issues
- Community involvement and development

Many of the 84 pages of the standard are devoted to definitions, examples, and suggestions on how to identify and communicate with stakeholders, and how to identify and address specific issues in each Core Subject area.

1.4. Information and Critiques

The ISO 26000 Scope states "This International Standard is not a management system standard. It is not intended or appropriate for certification purposes or regulatory or contractual use. Any offer to certify, or claims to be certified, to ISO 26000 would be a misrepresentation of the intent and purpose and a misuse of this International Standard. As this International Standard does not contain requirements, any such certification would not be a demonstration of conformity with this International Standard." [3] This statement includes that ISO 26000 cannot be used as basis for audits, conformity tests and certificates, or for any other kind of compliance statements. It can however be used as a statement of intention by the CEO and this is seen as its main value.

The practical value of ISO 26000 might be limited if it merely provided a common understanding of social responsibility instead of also facilitating management routines and practices leading to social responsibility. Despite the non-certifiability some scholars see distinct elements of a

management system standard also in ISO 26000.[4] Against this background, the potential benefits of the new standard, the managerial relevance, and specific limitations of ISO 26000 are currently being discussed.[5]

As a guidance document the ISO 26000 is an offer, voluntary in use, and encourages organizations to discuss their social responsibility issues and possible actions with relevant stakeholders. As service providers, certification bodies do not belong to an organization's stakeholders. ISO 26000 encourages its users to reconsider an organization's social responsibility or "socially responsible behavior" and to identify/select from its recommendations those where the organization could/should engage in contributions to society. ISO 26000 encourages its users to report to their stakeholders, and get feedback, on actions taken to improve their social responsibility.

It is this identification of "stakeholders" that makes the ISO 26000 an important step forward in solving the dilemma presented by corporations still in pursuit of single bottom line accountability, moving the discussion beyond Triple Bottom Line Accountability. It is also an important step in the development of business-led social responsibility initiatives which evidence suggests is much more effective than government regulated social responsibly policies.[6]

1.5. Project aim

There is a range of many different opinions as to the right approach to ethical and socially responsible behavior by businesses, ranging from strict legislation at one end to complete freedom at the other. ISO 26000 is looking for a golden middle way that promotes respect and responsibility based on known reference documents without stifling creativity and development. ISO (established 1947 to promote international trade by developing manufacturing standards) is now composed of 162 members, each of which is a National Standards Board of a particular country. ISO's expansion into the field of Social Responsibility (Corporate Social Responsibility) was driven by many factors, including a recognition that the pace of global development calls for increasing actions by organizations, including businesses, to reduce their harmful impacts on people and communities, and increase their positive impacts.

1.6. Development Leadership

ISO chose Swedish Standards Institute (SIS) and ABNT, Brazilian Association of Technical Standards to provide the joint leadership of the ISO Working Group on Social Responsibility (WG SR). The WG SR was given the task of drafting an International Standard for social responsibility that was published in 2010 as ISO 26000.[7]

1.7. Individual Social Responsibility (ISR) to achieve Corporate Social Responsibility (CSP)

ISP may appear to be a new concept in relation to CSP, but it is a concept as old as The Golden Rule — Do unto others as you would have them do unto you. ISR expands on this by promoting a proactive stance towards positively influencing and affecting the people and environments outside your immediate circle. ISR is at the roots of CSR, because a corporate comprises of individuals and hence determines the social responsibility culture it creates. This is the intermingled relationship between CSR and ISR. Individuals are becoming more socially responsible and, in response to this Corporations and Companies need to become more socially responsible to meet consumer demand.

The International Organization for Standardization (ISO) states: "In the wake of increasing globalization, we have become increasingly conscious not only of what we buy, but also how the goods and services we buy have been produced. Environmentally harmful production, child labor, dangerous working environments and other inhumane conditions are examples of issues being brought into the open. All companies and organizations aiming at long-term profitability and credibility are starting to realize that they must act in accordance with norms of right and wrong."

Socially responsible individuals are demanding companies and organizations to become more socially responsible.

1.8. Individual and Social Responsibility

The Workshop for Civic Initiatives Foundation (WCIF), Bulgaria, describes ISR in its position statement on Social Responsibility as, "The individual social responsibility includes the engagement of each person towards the community where he lives, which can be expressed as an interest towards what's happening in the community, as well as in the active participation in the solving of some of the local problems. Under community we understand the village, the small town or the residential complex in the big city, where lives every one of us. Each community lives its own life that undergoes a process of development all the time. And everyone of us could take part in that development in different ways, for example by taking part in cleaning of the street on which he lives, by taking part in organization of an event, connected with the history of the town or the village or by rendering social services to children without parents or elderly people. The individual social responsibility also could be expressed in making donations for significant for the society causes – social, cultural or ecological. There are many ways of donating, as for example donating of goods or donating money through a bank account or online"

Social Responsibility can be "negative," in that it is a responsibility to refrain from acting (resistance stance) or it can be "positive," meaning there is a responsibility to act (proactive stance). Being socially responsible not only requires participating in socially responsible activities like recycling, volunteering and mentoring, but to actually make it a lifestyle. Only through a commitment to embrace and embed social responsibility into your personal value and belief system can you truly become socially responsible in all you do.

According to The Harris Poll, June 18, 2007 [8], when it comes to individual social responsibility, there are three types of people:

1. Two-thirds of U.S. adults have "Good Intentions" – they believe that social responsibility is a good idea, and they do what they can in terms of volunteering, but they do not sacrifice huge amounts of time or money.
2. At the top end of the spectrum, 8 percent of U.S. adults "Practice What They Preach" and for this group, individual, as well as corporate, social responsibility is extremely important.
3. One-quarter of U.S. adults, however, follow a philosophy of "To Thine Own Self Be True" and, for this group, social responsibility has little consequence in their lives.

On the other hand the trends show that the biggest growth for big charitable organizations in the world is coming through individuals and not through Corporations and Governments [9].

To take a proactive stance, ISR can start off as a simple act of philanthropic behavior. My husband and I actually budget for giving, just like we do for living or car expenses. Add to this the campaigner, volunteer and activist in you that picks-up and supports issues affecting society. You may just start off volunteering once a month somewhere that suits your skills, abilities or interests. The other day, I asked a friend if he could teach my son guitar. We determined a tuition cost but instead of me paying him, he asked me if I could pay the charity of his choice. If you have the choice of two products and one product supports a good cause or was produced in a more ethical way, then purchase that product. You may only be one person but if everyone did their part, we could change the world!

All Social responsibility, both individual and corporate, is voluntary; it is about going above and beyond what is called for by the law (legal responsibility). It involves an idea that it is better to be proactive toward a problem rather than reactive to a problem. Social responsibility means eliminating corrupt, irresponsible or unethical behavior that might bring harm to the community, its people, or the environment before the behavior happens.

Social Responsibility Quotes:

"I am of the opinion that my life belongs to the whole community and as long as I live, it is my privilege to do for it whatever I can. I want to be thoroughly used up when I die, for the harder I work the more I live." ~George Bernard Shaw

"The impersonal hand of government can never replace the helping hand of a neighbor." ~Hubert H. Humphrey

"One is a member of a country, a profession, a civilization, a religion. One is not just a man." ~Antoine de Saint-Exupéry, Wartime Writings 1939-1944, translated from French by Norah Purcell

"Each of us is a being in himself and a being in society, each of us needs to understand himself and understand others, take care of others and be taken care of himself." ~Haniel Long

"We cannot always build the future for our youth, but we can build our youth for the future." ~Franklin Delano Roosevelt

"Every individual has a place to fill in the world and is important in some respect whether he chooses to be so or not. ~Nathaniel Hawthorne

"Independence"… [Is] middle-class blasphemy. We are all dependent on one another, every soul of us on earth." ~G.B. Shaw, Pygmalion

"A machine has value only as it produces more than it consumes – so check your value to the community." ~Martin H. Fischer

"A man is called selfish not for pursuing his own good, but for neglecting his neighbor's." ~Richard Whately

"We cannot live only for ourselves. A thousand fibers connect us with our fellow men." ~Herman Melville

2. Examples of Social Responsibility Strategies

Social responsibility is a form of self-regulation that businesses adopt as a part of their corporate conscience and citizenship. Often referred to as corporate social responsibility or CSR, this policy spurs businesses to develop means to monitor the public's social perception of them as a responsible business. The business goal of social responsibility is to encourage the company's actions toward the positive impact of consumer, community and employee responsibility.

2.1. Voluntary Hazard Elimination

Companies involved with social responsibility often take action to voluntarily eliminate production practices that could cause harm for the public, regardless of whether they are required by law. For example, a business could institute a hazard control program that includes steps to protect the public from exposure to hazardous substances through education and awareness. A plant that uses chemicals could implement a safety inspection checklist to guide staff in best practices when handling potentially dangerous substances and materials. A business that makes excessive noise and vibration could analyze the effects its work has on the environment by surveying local residents. The information received could be used to adjust activities and develop soundproofing to lessen public exposure to noise pollution.

2.2. Community Development

Companies, businesses and corporations concerned with social responsibility align with appropriate institutions to create a better environment to live and work. For example, a corporation or business may set up a foundation to assist in learning or education for the public. This action will be viewed as an asset to all of the communities that it serves, while developing a positive public profile.

2.3. Philanthropy

Businesses involved in philanthropy make monetary contributions that provide aid to local charitable, educational

and health-related organizations to assist under-served or impoverished communities. This action can assist people in acquiring marketable skills to reduce poverty, provide education and help the environment. For example, the Bill and Melinda Gates Foundation focuses on global initiatives for education, agriculture and health issues, donating computers to schools and funding work on vaccines to prevent polio and HIV/AIDS.

3. Conclusion

Corporate responsibility interests are often referred to as creating shared value or CSV, which is based upon the connection between corporate success and social well-being. Since a business needs a productive workforce to function, health and education are key components to that equation. Profitable and successful businesses must thrive so that society may develop and survive. An example of how CSV works could be a company-sponsored contest involving a project to improve the management and access of water used by a farming community, to foster public health.

Companies that engage in socially responsible investing use positioning to exert pressure on businesses to adopt socially responsible behavior themselves. To do this, they use media and Internet distribution to expose the potentially harmful activities of organizations. This creates an educational dialogue for the public by developing social community awareness. This kind of collective activism can be affective in reaching social education and awareness goals. Integrating a social awareness strategy into the business model can also aid companies in monitoring active compliance with ethical business standards and applicable laws.

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