

A Cost-Benefit Analysis of ISO26000: The Standard on Social Responsibility

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Abstract

The International Organization for Standardization's ISO 26000 on social responsibility supports organizations of all types and sizes in their responsibilities toward society and the environment. The standard's core subjects respect the rule of law as well as international norms on human rights and non-discrimination. ISO 26000 recommends that organizations ought to follow its principles on accountability, transparency, ethical behaviors and fair operating practices that safeguard organizations and their stakeholders' interests. Hence, this chapter presents a critical analysis on ISO 26000. This is followed by a discussion on the trade-offs between the costs and benefits for those organizations who intend following this social responsibility standard's principles. Afterwards, this contribution posits that the stated purpose of ISO's non-certified standard on social responsibility is to provide 'guidance' to its users as it is not an enforceable instrument. In conclusion, the author has put forward his implications for practitioners and policy makers. This chapter also suggested some future research avenues to academia.

Keywords: social responsibility, business, corporate social responsibility, CSR, CSR reporting, CSR disclosures, stakeholders, stakeholder engagement, International Standards Organization, ISO26000.

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Introduction

ISO 26000 provides guidance on social responsibility issues for businesses and other entities. This standard comprises issues relating to labor practices, conditions of employment, responsible supply chain management, responsible procurement of materials and resources, fair operating practices. It also puts forward recommendations for stakeholder engagement. ISO 26000 is aimed at all types of organizations, regardless of their activity, size or location. It clarifies what social responsibility is; it explains how businesses and other organizations can translate laudable principles into effective actions as they share best practices relating to social responsibility matters. ISO26000's core subjects respect the international norms as the social responsibility standard supports organizations to follow principles on accountability, transparency, ethical behaviors and fair operating practices. Therefore, ISO 26000 could be relevant to different types of organizations in their engagement with stakeholders hailing from diverse contexts.

Evidently, this standard seems to support entities on different aspects of their social responsibility, environmental sustainability and stakeholder engagement (Castka & Balzarova, 2008a). Therefore, all forms of organizations are encouraged to follow this standards' recommendations to improve their responsible management as well as their relationships with marketplace stakeholders, including suppliers and distributors in their value chain. However, for the time being, there is still limited research and scant empirical evidence on ISO 26000 and on how this uncertifiable standard is actually being perceived by stakeholders (although there are a few exceptions, see Hahn 2013; Hahn & Weidtmann, 2016; Marques, 2012; Claasen & Roloff, 2012.; Castka & Balzarova, 2008a,b). In this light, this chapter presents a thorough literature review on ISO26000's social responsibility standard as it aims to provides a better understanding of its guiding principles. The author reviews existent contributions on the

international diffusion of ISO 26000 and has critically analyzed the costs and benefits of ISO's social responsibility standard. This research suggests that ISO 26000 could be internally-focused (for instance investigation of implementation issues within companies e.g. human rights, organizational governance and labor practices like resolving grievances, anticorruption, employment creation and skills development, safeguarding the conditions of employment, et cetera) or externally-focused such as environmental sustainability, fair operating practices in the supply chains and industries; whilst considering consumer issues, community involvement and other stakeholder influences, including the government, media, NGOs et cetera).

Background

There were several social and environmental standards prior to ISO 26000 (Boström & Halström, 2010). Some examples of multi-stakeholder standards include the standards for sustainable forestry (FSC - Forest Stewardship Council), sustainable fishing (MSC - Marine Stewardship Council) or the fair-trade mark (by Fairtrade Labeling Organization International). These standards have typically emerged following numerous partnerships agreements between non-governmental organizations (NGOs) and large multinational corporations. The FSC standards were created through collaborative networks including Greenpeace, Rainforest Alliance, and Home Depot (Conroy, 2007 in Balzarova & Castka, 2012). Moreover, the Leadership in Energy and Environmental Design (LEED) is yet another example of a constructive partnership of the Natural Resources Defense Council and the Rocky Mountain Institute, among others.

In a similar vein, the ISO standards are documents that are established by consensus and approved by the International Standards Organization as a recognized body. The standards provide regulatory guidance to practicing organizations and are aimed to achieve an optimum degree of order in given contexts' (ISO, 2004). Therefore, standards can be considered as

recipes for what should be done by their adopters, while the standardization process can be defined as the production of specific rules (Brunsson & Jacobsson, 2000). ISO26000 was developed through constructive partnerships (Rangan, Samii, & Van Wassenhove, 2006) between private and public players as the International Standards Organization wanted to introduce its first un-certifiable standard. Several actors have been involved in developing this Social Responsibility standard consisting of experts, private organizations, and national representatives (Schwartz & Tilling, 2009). Bowers (2006) observed that different stakeholders in ISO 26000 development have participated in the process of standard setting with clear positions in anticipation of its implementation. The industry stakeholders wanted to ensure that the social responsibility standard will be manageable for them. The International Labor Organization (ILO) was involved in the preliminary discussions as it safeguarded the employees' interests. Moreover, several governments were also involved in the preparations of ISO 26000. Other groups including consultants, academics, and certifiers hoped that a social responsibility standard would generate the same level of business that grew up around ISO 9001 and 14001 (Balzarova & Castka, 2012; Castka & Balzarova, 2008b).

Multiple stakeholders have created links between the standard under development and other extant standards, guidelines or international instruments. The final version of the ISO 26000 standard contained a large list of voluntary initiatives and tools on social responsibility. These guidelines were proposed and pushed by the participating stakeholders. Therefore, the ISO 26000 standard-setting process involved stakeholder engagement among different groups.

Hence, the social responsibility standard involved a legitimization strategy that was crafted through a multi-stakeholder involvement with an emphasis on participatory decision making and democracy. This has inevitably led to common guidance on social responsibility concepts, definitions and methods of evaluation (Hahn & Weidtmann, 2016; Fransen & Kolk, 2007).

The rationale behind ISO26000 – the standard on social responsibility

In 2010, the development of ISO 26000 has represented a milestone in multi-stakeholder standards development that supported the integration of social responsibility into management processes (Toppinen, Virtanen, Mayer & Tuppuru, 2015; Hahn, 2013). Yet, ISO 26000 has never been considered as a management standard as its use cannot be certified unlike the earlier ISO standards, such as ISO 9000 and ISO 14001. The certification requirement has not been incorporated into the development and reinforcement process of ISO 26000 because industry representatives were concerned that costly certification requirements could overburden their businesses. Nevertheless, ISO's work item proposal for organizational social responsibility was intended to accomplish the following issues:

- Assist organizations in addressing their social responsibilities while respecting cultural, societal, environmental, and legal differences and economic development conditions;
- Provide practical guidance related to making social responsibility operational;
- Assist with identifying and engaging with stakeholders and enhancing credibility of reports and claims made about social responsibility;
- Emphasize performance results and improvement;
- Increase confidence and satisfaction in organizations among their customers and other stakeholders;
- Achieve consistency with existing documents, international treaties and conventions, and existing ISO standards;
- Promote common terminology in the social responsibility field;
- Broaden awareness of social responsibility;
- This standard is not intended to reduce government's authority to address the social responsibility of organizations.

(Arzova, 2009 in Idowu & Filho, 2009).

ISO26000 standard's goal is to encourage organizations to adopt socially responsible approaches by reviewing their extant operating practices on organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement and development (ISO, 2014). ISO 26000 provides guidance on stakeholder identification and engagement, it assists in improving social responsibility communications and it helps to integrate responsible business practices into strategies, systems and processes. Hence, ISO26000 advises the practicing organizations to consider their varied stakeholders' interests. The constructive partnerships agreements with multiple stakeholders are beneficial for the potential of effective consensus building, knowledge sharing, interest representation, and achievement of legitimacy (Fransen & Kolk 2007). According to Castka and Balzarova 2008a; p. 276), 'ISO 26000 aims to assist organizations and their network in addressing their social responsibilities - as they provide practical guidance that is related to operationalizing CSR, identifying and engaging with stakeholders and enhancing credibility of reports and claims made about CSR'. ISO 26000 can be viewed as an approach to CSR that is rooted in a quality management framework. Moratis (2015) has also reiterated the key contents and tenets of ISO 26000 as he examined strategies that could enhance the credibility of the corporations' social responsibility claims. He argued that the concept of credibility relates to skepticism, trust and greenwashing. Consequently, the organizations that are renowned for their CSR credentials will have a better reputation and image among stakeholders. This will result in significant improvements to the firms' bottom lines.

Berman, Wicks, Kotha & Jones (1999) suggested that one approach to how organizations approach stakeholder management is based on an instrumental approach (strategic stakeholder management). They held that the organizations' concern toward stakeholders is motivated by their self-interest as they strive to improve their financial performance. Yet, there were several empirical studies that have often yielded contradictory results about whether social

responsibility can bring financial returns (Camilleri, 2012, Orlitzky, Schmidt & Rynes, 2003; McWilliams & Siegel, 2001; Waddock & Graves, 1997; Russo & Fouts, 1997). Nevertheless, an increasing number of studies reported that the social responsible behaviors should be used strategically (Husted & Salazar, 2006). Others argued that social responsibility offers opportunities for market differentiation, as it could be a source of competitive advantage (Russo & Fouts, 1997).

Donaldson and Preston (1995) maintained that social responsibility is not fully driven by commercial factors. Their altruistic social responsibility perspective (or intrinsic stakeholder commitment) approach assumed that organizations have a normative (moral) commitment to advance their stakeholders' interests. Similarly, Castka and Balzarova (2008a) have proposed an exhaustive list of social responsibility predictors that were drawn from three perspectives: strategic, altruistic and coercive prior to the formulation of ISO26000. They listed ten propositions in relation to social responsibility orientation of organizations or networks, differences in regulatory systems, and the role of governments and national environments.

One of the mechanisms that led to the development of the social responsibility agenda is a pressure of different groups of activists, consumers and non-governmental organizations. For instance, stakeholders may exert pressure over organizations to adopt social and environmental practices that exceed the minimum requirements that are mandated by legislation and regulation (Christmann & Taylor, 2004; Corbett & Kirsch, 2001). Nevertheless, there may be other stakeholders who could generate new societal expectations and consequently lead to new business practices. In fact, it is a very common practice amongst multinational supply chains to use well established codes of conducts that are imposed on others by the most powerful players (Castka and Balzarova, 2008a). ISO 26000 provides a unilateral understanding of social responsibility across the globe. It acknowledges that 'social responsibility should be an integral

part of the businesses' core strategy (ISO, 2010). The definition of the standard's core subjects is a major achievement. A foundational document such as ISO 26000 is an important step in the right direction as it has broadly improved the social responsibility and sustainability agenda. Of course, there are a wide array of social responsibility issues that are addressed in the social responsibility standard.

ISO26000's core subjects and issues are presented hereunder in Table 1. This standard represents one of the most extensive standards on environmental and social responsibility, ethics and organizational governance. Organizations are encouraged to follow this standard's guiding principles in order to maximize their contribution to sustainable development.

Table 1. Core Subjects and Issues in ISO 26000	
Organizational Governance	<ul style="list-style-type: none"> • Organizational Governance
Human Rights	<ul style="list-style-type: none"> • Due Diligence • Human rights risk situations • Avoidance of complicity • Resolving grievances • Discrimination and vulnerable groups • Civil and political rights • Economic, social and cultural rights • Fundamental principles and rights at work
Labour Practices	<ul style="list-style-type: none"> • Employment and employment relationships • Conditions of work and social protection • Social dialogue • Health and safety at work • Human development and training in the workplace
The Environment	<ul style="list-style-type: none"> • Prevention of pollution • Sustainable resource use • Climate change mitigation and adaptation • Protection of the environment, biodiversity and restoration of natural habitats
Fair Operating Practices	<ul style="list-style-type: none"> • Anti-corruption • Responsible political involvement • Fair competition • Promoting social responsibility in the value chain • Respect for property rights
Consumer Issues	<ul style="list-style-type: none"> • Fair marketing, factual and unbiased information and fair contractual practices • Protecting consumers' health and safety • Sustainable consumption • Consumer service, support, and complaint and dispute resolution • Consumer data protection and privacy • Access to essential services • Education and awareness
Community Involvement and Development	<ul style="list-style-type: none"> • Community involvement • Education and culture • Employment creation and skills development • Technology development and access • Wealth and income creation • Health • Social Investment

(ISO, 2014)

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Organizations ought to consider which aspects of social responsibility to invest in (McWilliams & Siegel, 2001). Their social responsibility can include internal aspects (i.e. physical environment, working conditions, communication and transparency parameters) as well as external aspects involving an active engagement with marketplace stakeholders including suppliers, communities and shareholders among others (see Kok, Van der Wiele, McKenna, & Brown, 2001). ISO 26000 has the potential to capture the context-specific nature of social responsibility. Even though the standard aims to unify and standardize social responsibility practices, it also acknowledges that organizations have a responsibility to bear as they are expected to address the strategic areas that are relevant to their business (Hahn, 2013; Figge, Hahn, Schaltegger & Wagner, 2002). Therefore, the ISO 26000 standard provides guidance on the integration of social responsibility into management processes and on matters relating to stakeholder engagement. McWilliams & Siegel (2001) held that there is an ideal level of CSR that managers can determine via cost–benefit analyses.

Costs

When the standards are enforced, industry stakeholders need to comply with their requirements. They may be averse toward the new standards as they could assume that they could create trade barriers. This may inevitably lead to an increase in their cost of production as they strive to absorb the cost of compliance (Delmas, 2002). Notwithstanding, when introducing new standards, the following external audits could reveal regulatory non-compliance among the adopting organizations (Delmas, 2002). As a result, the industries' implementation of a new standard such as ISO 26000 could be time consuming, because it requires holistic adaptations to change throughout the practicing businesses.

Previous research demonstrated that some stakeholders have used the standardization to enhance their credibility, learning, and legitimacy (Boström & Halström, 2010). However, the development of ISO 26000 involved lengthy multi-stakeholder corroborations that did not necessarily ensure legitimacy or guarantee that the standard could be considered as an enforceable instrument for industry participants. Balzarova and Castka (2012) and Marques (2012) also pointed out that the scope of the ISO 26000 standard was unclear as the actual implications for social and environmental improvement were still unknown. Moreover, the standardization of social responsibility has also been criticized for being costly and thereby difficult to implement, especially among the smaller companies (Toppinen et al., 2015).

Rasche and Kell (2010) admitted that the responsibility standards can never be a complete solution to the many social and environmental problems, as their inherent limitations need to be recognized. Multiple-stakeholders have actively contributed to the development of ISO26000, yet certain pre-standardization preparations may have created boundaries that have restricted the stakeholders' influence. Suchman (1995) described the pre-standardization phase as an effort which embedded new structures and practices into already legitimate institutions. During the pre-standardization discussions among stakeholders there were differing opinions, and not enough consensus over certification (Mueckenberger & Jastram, 2010). Other authors declared that the certification of standards does not necessarily lead to improved performance (Aravind & Christmann, 2011; King, Lenox & Terlaak, 2005). Instead, a certificate might be used for greenwashing purposes to cover organizational conduct.

Balzarova and Castka (2012) held that some stakeholders could have been in a position to leverage their arguments during the pre-standardization arrangements. They made reference to the non-certification issue and its potential role in the standard's reinforcement. This is a contentious subject which continuously re-emerges during the stakeholders' meetings.

Throughout the planning process, the idea of certifiable standards was abandoned. Previous research has indicated that a certificate can be an initial motive for using a standard (Beck & Walgenbach, 2005). Debatably, in its present form, ISO 26000 may not be suitable for certification purposes since it does not follow a classical plan–do–check–act–type management system approach like, for example, ISO 14001 (Hahn, 2013). Moreover, since ISO 26000 is not certifiable, some businesses could omit certain social responsibility activities if including them could lead them to release public information. The organizations that are in complete compliance with ISO 26000 may be required to publish vital information and make it readily accessible to stakeholders (Balzarova and Castka, 2012). This contentious issue could cause some organizations to not fully conform themselves to the ISO guidance as they may decide to avoid disclosing their sensitive information to competitors. Thus, ISO 26000 might not offer sufficient incentives, especially for those companies which could potentially reap the greatest benefits from using it.

Hahn (2013) suggested that the ISO26000 standard provides organizations with valuable predictability regarding their social license to operate, which is often expected from businesses by stakeholders. The author contended that each organization should recognize and address those specific areas in ISO 26000 that may be the most relevant to their own field. Ávila, Hoffmann, Corrêa, da Rosa Gama Madruga, Schuch Júnior, de Sousa Júnior and Zanini's (2013) survey found that ISO26000's themes were under-represented, particularly those involving labor practices and the environment. Their study investigated core subjects including organizational governance and consumer issues. The authors posited that the organizations who were supposedly following ISO26000, have often faced difficulties in incorporating the social responsibility throughout all organizational mechanisms, processes, organizational identity and decisions. Avila et al. (2013) argued that the businesses' unsatisfactory engagement with consumer issues was even more serious as they are the stakeholders that justify the existence

of organizations. It may appear that Avila et al.'s (2013) research participants were only concerned with their corporate image (as they were supposedly implementing the social responsibility concept and its premises). Evidently, these firms were less interested in undertaking necessary actions to ensure implementation and compliance with ISO26000.

Toppinen et al. (2015) held that ISO26000 may not bring much added value to the sustainability frontrunners who had a track record in social and environmental responsibility. They also claimed that the social responsibility standard was not sufficiently detailed to incorporate forest-sector-specific issues. This reasoning also resonated with other conceptual literature that questioned whether the extant standards were contributing (or not) to the sustainable development at the national or global scale (Castka & Balzarova, 2012; Hahn, 2013).

Benefits

ISO 26000 has been characterized as a 'significant breakthrough innovation' (Webb 2012) and as an evolutionary step in standard innovation (Hahn 2013) because it is suitable for organizations of all sizes and sectors, and because it has unique features regarding authority and legitimacy. The standard's guideline describes social responsibility as 'the actions a firm takes to contribute to 'sustainable development' (Perez-Baltres, Doh, Miller & Pisani, 2012, p. 158). Hahn (2013) suggested that ISO 26000 offers specific guidance on many facets of CSR as it helps responsible businesses in their internal and external assessments and evaluations. Even though the standard aims to unify and standardize social responsibility practices, it also acknowledges that each organization has a responsibility to recognize and address those areas that are relevant to its business (Hahn 2013). Notwithstanding, there are different industries, organizational settings, regional or cultural circumstances that will surely affect how every company implements the standards' responsible behaviors.

The ISO 26000 was developed through a participatory multi-stakeholder process with an emphasis on participatory decision making and democracy (Hahn and Weidtmann 2016). The ISO 26000 standard provides guidance on the integration of social responsibility into management processes, as well as on the principles on environmental responsibility and stakeholder engagement. The list of ISO's seven core subjects represents the most essential areas for responsible organizations.

ISO 26000 also provides guidance on stakeholder identification and engagement. It assists in improving the organizations' communications on social responsibility issues and helps to integrate responsible business practices into strategies, systems and processes. According to (Castka and Balzarova 2008a; p. 276), 'ISO 26000 aims to support organizations and their network in addressing their social responsibilities and providing practical guidance related to operationalizing CSR, identifying and engaging with stakeholders and enhancing credibility of reports and claims made about CSR'. The standard has potential to capture the context-specific nature of social responsibility.

Corporate culture is an important driver of socially responsible activities, in which CEOs play a key role in giving their face and voice to the corporate sustainability agenda (Waldman, de Luque, Washburn, House, Adetoun, Barrasa & Dorfman, 2006; Caprar and Neville, 2012). Enhancing corporate culture for sustainability has the potential to achieve a competitive advantage and improve the long term financial performance (Eccles, Ioannou & Serafeim, 2013) via the development of valuable, rare and non-imitable organizational resources and capabilities (Barney, 1986). Eccles et al. (2013) analyzed the financial performance of firms with either high or low sustainability orientation. They found that firms with a high sustainability orientation were associated with distinct governance mechanisms for sustainability, longer time horizons, deeper stakeholder engagement and greater attention to and disclosure of non-financial measures. Adoption of sustainability standards, such as ISO

26000, can also be interpreted as a signal of a responsible corporate culture (Waldman et al., 2006).

De Colle, Henriques and Sarasvathy (2014) critically analyzed several international social responsibility standards. The authors described ISO26000 as a substantive, process-based standard that has no monitoring process in place, in terms of assurance and certifiable mechanisms. They went on to suggest that its focus was generic and that its governance structure relied on a multi-stakeholder approach. De Colle et al. (2014) argued that there are both pros and cons for practitioners who will decide to adopt substantive standards provide organizations with a clear indication for the content of their actions (such as principles, policies, processes, and outcomes) in the area of environmental, social and governance (ESG) reporting. Their dimensions of the positive and negative outcomes that are associated with CSR standards are represented hereunder in Table 2:

Table 2. The Costs and Benefits of CSR standards	
Benefits	Costs
Integrating CSR practices in corporate strategy	Semantic issues on the conceptualisation and theorisation of similar CSR constructs
Providing a regulatory framework of recommended practices	Engagement with the standards will increase operating costs
Promoting CSR and sustainable behaviours	Lack of enforcement and control
Supporting CSR activities	Strict compliance to the standards' requirements could hamper the organizations' flexibility
Improving Operations through total quality management approaches	Over-communication / miscommunication of CSR issues in ESG disclosures
Improving corporate reputation and image	Stifling creativity and innovation in workplace environments
Enabling self-enforcement	Failure to generate the desired systematic change as there will different attitudes toward the standard among management and employees.

(Adapted from ISO, 2014; De Colle et al., 2014; Idowu & Leal Filho, 2009; Castka & Balzarova, 2008a)

Discussion: The trade-off of using a substantive, guidance standard that is uncertifiable

ISO26000 is an important instrument that could be used to support different organizations in their corporate sustainability and responsibility path. This standard seems to offer reasonable frameworks for the operationalization of social responsibility principles, norms and values. At the same time, it raises awareness on ESG practices and processes (Camilleri, 2015b).

In this day and age, there are many similar standards (e.g. ISO 9000, ISO14001, Ethical Trading Initiative – ETI; SA8000; UN Global Compact; Global Reporting Initiative, Responsible Care; AA1000 and ISO26000 among others). Hence, practitioners may use different regulatory instruments, eco-labels and the like. The broad terminology and concepts revolving on social responsibility paradigm could not be easily understood by practitioners. The standards' synonymous constructs have been wrought from distinctive academic theories and regulatory bodies. Moreover, globalization may have augmented the complexities surrounding the responsible managerial issues, in many contexts.

The organisations' genuine willingness to comply with this social responsibility standard could lead to the pursuit of total quality management as they strive for continuous improvement and excellence. It may appear that this standard could motivate owner-managers and employees to become increasingly attuned with responsible and sustainable behaviours. Yet, the stakeholders may exhibit different attitudes toward the standard. For instance, the employees may be averse to change.

Many organizations may voluntarily decide out of their own volition to engage in laudable practices as they realise that there is a business case for them, or they perceive that it is in their interest to do so. Social performance and sustainable behaviours could result in lower criticism from the public, as well as improved community relationships among other benefits (Camilleri, 2012). However, since this standard is adopted on a voluntary basis there are no compliance

and enforcement mechanisms in place. For this reason, ISO26000's inherent weakness is that the practitioners that are following this guiding standard are not obliged to disclose their non-financial reporting (Camilleri, 2015a). This means that social responsibility standard does not require monitoring and controlling mechanisms or independent assurance statements from qualified auditors on the organisations' socially responsible practices. In this case, responsible practitioners do not incur any transaction costs to adopt ISO26000's standard unlike other certifications and eco-labels.

Whereas, other certifiable standards necessitate that organizations conform themselves with relevant regulatory processes that are usually monitored on a regular basis. Very often, certifiable standards may include provisions on specific outcomes (e.g., ISO's 14001's environmental management systems) or on substantive issues (e.g., minimum level of wages). The mandatory standards may demand formal compliance with key performance indicators that may usually represent material information. Of course, an excessive focus on compliance procedures could possibly induce organizations to report on the standards' broad subjects. Consequentially, organisations could lose focus from their core socially responsibility issues that may be meaningful to them or for their stakeholders. Notwithstanding, the binding standards' regulated processes could affect the practitioners' flexibility, creativity and innovation. While mandatory standards may support organisations in terms of their environmental, social and governance performance, they may fail to drive systematic change toward material outcomes at the national or global scale.

In sum, this chapter reported that ISO's social responsibility standard provides the basis for stakeholder engagement and collaborative partnerships with different parties. ISO's social responsibility standard can be useful in guiding action toward desirable sustainability outcomes. Ultimately, responsible behaviours could translate to significant improvements to the practicing organisations in terms of corporate reputation and image. The systematic

embeddedness of social responsibility into strategy may thus bring a virtuous cycle of economic value and could lead to the desired societal outcomes.

Implications and Conclusions

This chapter has shown that the standard on social responsibility is extremely broad as evidenced in its core subjects and issues; including organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues and community involvement and development. The standard for social responsibility is an important instrument that could guide different organizations in their sustainability path.

This contribution has analyzed the costs and benefits of the social responsibility standard. Indeed, ISO 26000's recommendations are relevant to today's businesses, as they strive to address a wide array of societal and environmental issues in diverse contexts. Arguably, the globalization phenomenon is strongly shaping the businesses' behaviors across different markets. Many organizations are currently sourcing materials or finished items from other countries to reduce their manufacturing and distribution costs. Consequentially, the procurement of products may result in perceived shortcomings in social performance and environmental sustainability. Moreover, the developing countries are often characterized by poor working conditions, weak regulatory compliance procedures, and corruption among other contingent issues. For these reasons, many stakeholders, particularly consumers hailing from the most advanced economies are increasingly inquiring on the larger entities' responsible behaviors.

Evidently, this non-certifiable standard is supporting organisations, including businesses on different aspects of their social responsibility, environmental sustainability and governance. It

is helping to improve their credentials among stakeholders. This contribution contended that ISO 26000 could be internally focused (for instance investigation of implementation issues within the companies e.g. safeguarding the conditions of employment, et cetera) or externally focused (e.g. social responsibility toward marketplace stakeholders, including supply chains and industries; whilst considering other stakeholder influences, including the government, labor and consumer organizations, media, NGOs et cetera). Nevertheless, this research has also offered other practical implications for policy makers, standards setting organizations, and participating stakeholders. The critical evaluation of the ISO 26000 has revealed that this broad, non-certifiable standard may not necessarily lead to the development of an enforceable instrument. Hence, policy makers should be cautious in supporting such standards because the role of such a comprehensive standard is still somewhat unclear. However, this contribution contends that the stated purpose of this ISO voluntary standard is to provide a useful guidance on many aspects of social responsibility.

Limitations and Suggestions for Future Research

This research focused on ISO's social responsibility standard. It drew relevant conclusions about the multiple stakeholders' influence and their contribution to its development. Yet, it also reported about the costs and benefits of implementing this standard's guidelines from the practicing organizations' point of view. However, empirical studies could explore how organizations are following this guiding standard as they try to satisfy their numerous stakeholder claims.

Future research could investigate specific stakeholders' views on the implementation of ISO 26000. In the past, there were many studies that have focused on establishing a relationship between social and financial performance. Perhaps, academia could adopt ISO's social

responsibility standard as a measure in quantitative studies. Moreover, qualitative studies could possibly clarify and explain in detail how organizations are following ISO26000 guidelines through their active engagement in the standard's core subjects and issues. Therefore, further studies could map the organizations' progress and advancement in the implementation and monitoring of ISO26000 standard's initiatives.

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