

APPLICABILITY OF THE UPCOMING ISO 26000 STANDARD IN THE CONDITIONS OF THE NORWEGIAN ECONOMY

Martina Ortová
***Ivana Chramostová**

Technical University of Liberec
Faculty of Economics
Studentská 2, 461 17, Liberec 1, Czech Republic
martina.ortova@tul.cz

* Technical University of Liberec
Faculty of Economics
Studentská 2, 461 17, Liberec 1, Czech Republic
ivana.chramostova@tul.cz

Abstract

A firm's Corporate Social Responsibility involves adopting an ecological and social approach to management. The International Organization for Standardization is about to issue the new ISO 26000 standard, which will focus on the issue of corporate social responsibility. This article presents the results of the primary questionnaire survey into the attitudes and opinions of leading Norwegian firms as regards corporate social responsibility. The survey is also focused on the demand for the new ISO 26000 standard before it is issued. The results of the survey imply that selected Norwegian firms are aware of the concept of corporate social responsibility and the ISO 26000 standard. Evidently there is no demand for ISO 26000 and they are not really interested in applying it to their own businesses.

Introduction

The International Organization for Standardization published new ISO 26000 in September 2010. This new standard is focused on corporate social responsibility. The ISO standards system is internationally renowned. The authors of this article therefore ask the question: "*Is the European business environment ready to put ISO 26000 into practice and is there a demand for this ISO standard before it is issued?*" The authors, together with a research team from the Economic Faculty of the Technical University of Liberec, attempt to find the answer to this question through a specific university survey. The aim of the project is to find the answer to this question within the business sector in the Czech Republic, Poland, Norway, Sweden, France, Germany, and Spain. In certain phases this survey has been under way since 2009. [6]

We already have the results from Norway, Sweden and the Czech Republic. The results obtained from other countries have not been completed yet. In this article, we will be focusing on a sample of Norwegian firms. We will compare a few Norwegian results with the Czech and Sweden economy. A complete analysis and comparison of all countries will be published in a special monograph during 2011.

The first part of the text explains briefly the meaning of the terms corporate social responsibility and ISO 26000. Then the article deals with the Norwegian economy, the primary survey, and its results.

1 Theoretical basis – Corporate Social Responsibility, ISO 26000

Corporate Social Responsibility (CSR) involves the integration of positive attitudes, practices and programmes into a firm's business strategy at a top-management level. This requires a shift in attitude to the social role from "Profit Only" to a broader concept of so-called "Three Ps": "People, Planet, Profit", sometimes also referred as the three keystones of CSR. This means taking into account the Triple-Bottom-Line, where a firm concentrates not only on its economic growth, but also on the environmental and social aspects of its activity; the firm forms a natural part of the municipality, region, and society [7].

The most widely used definition of corporate social responsibility was presented by the European Commission in 2001. This definition reads as follows: Corporate social responsibility is the voluntary integration of environmental and social considerations into business operations and the interaction of the organisation with its surroundings [1].

We can list the following examples of some specific tools: corporate transparency, code of ethics, good relations with investors, rejecting corruption, philanthropy, employee perks, sexual equality, ecologically-friendly production, environmental protection, etc. [3].

The primary aim of ISO 26000 is to create a standard which can be applied at the international level, to all types of organisations, and which will focus on putting corporate social responsibility into practice. The standard should be issued by the end of 2010. As it has not yet been officially issued, this text will not comment on the specific content of the standard [5].

We would like to stress that the prepared ISO 26000 replaces the theoretical definition of "Corporate Social Responsibility" with the term "Social Responsibility", which is broader and also allows the application of social responsibility beyond the business sector, such as in non-state non-profit organisations, trade unions, and other public sector subjects. Our research, however, is concentrated on the private sector, so we will continue to use the term "Corporate Social Responsibility" as it applies to this sector. [6] The following section is focused on the Norwegian economy and the survey methods.

2 The Norwegian economy and how it relates to corporate social responsibility

Norway, despite the global crisis of recent years, is still a highly prospering economy. This success has been based on supplies of mineral raw materials, particularly oil, but also natural gas, wood, and other materials. An equally important factor is the country's tradition of fishing and shipbuilding. One crucial aspect of this success is energy generated from renewable resources, which has made the Norwegian monarchy a major energy superpower.

The driving force behind the gross domestic product is mainly export, which is supported particularly by exports of the mineral raw materials, as mentioned above. The net value of Norwegian exports is in the tens of billions of dollars.

Norway, like the other northern countries, is well known for its strong tax progression. There is a high income tax rate, as well as heavy taxes on property and other high-income items. We should also mention the special taxes on tobacco, alcohol and cosmetics. Norway is also a country with a strong social basis. The proof of this is in the guaranteed minimal pensions, high unemployment benefits and major support for healthcare from public funding. We would like to mention the Government Pension Fund, which was set up as a deposit of high profits from the oil industry. [4]

There is also a strong sense of social awareness in Norwegian firms. Some firms resemble a family and great emphasis is placed on communication between the employer and employees.

These specific features mean that Norway can be described as a country which offers excellent conditions for corporate social responsibility.

In 2004 the European Commission carried out a survey which ranked small and medium-sized enterprises in Norway first in order of the applicability of CSR in Europe. At that time as many as 95% small and medium-sized businesses in Norway were interested in corporate social responsibility. In contrast, 50 largest Norwegian companies rated poorly in a study carried out by the Norwegian School of Management. This study found out that 63% of large Norwegian businesses were lagging behind the best European enterprises in terms of CSR; 27% were at a comparable level and a mere 10% of large businesses rated higher than the best European enterprises as regards CSR. Whereas the majority of large Norwegian businesses oriented towards CSR are financial and oil companies. [2]

Human rights and equal opportunities are very important aspects of the Norwegian economy. In environmental terms, Norway is a major producer of clean energy; up to 99% of its electrical energy is generated by hydroelectric power stations. Clean energy is a political priority in the countries of the north. In 2003 the Norwegian parliament issued a new law, "The Right to Environmental Information", which obliges companies to provide all the important information about their business and activities which could have a negative impact on the environment in Norway. [2,9] The Norwegian economy is thus accustomed to applying corporate social responsibility tools. The following section is devoted to the interest of selected firms in CSR and ISO 26000.

3 Empirical survey – methodology, results

In 2010 a special survey was carried out focusing on the opinions of Norwegian firms regarding CSR and the application of ISO 26000 in practice. This survey is part of a project entitled "*Corporate Social Responsibility, Application of the ISO 26000 Standard in Europe*", which explores the demand for the introduction of ISO 26000 in practice shown by businesses from seven European countries.

The aim of this research in Norway was primarily to determine the answers to several questions and the confirmation or refutation of the following hypothesis:

"The selected Norwegian firms are prepared for the introduction of ISO 26000 and there is a demand for this ISO standard."

Questions:

- Is there currently a sufficient interest in the issue of corporate social responsibility to create a demand for the introduction of ISO 26000?
- Have businesses actually introduced corporate social responsibility tools, or are they merely claiming to have done so?
- Are there any real differences between the theoretical definition of the term "corporate social responsibility" and the way how the term is perceived in practice?
- Do firms want to introduce ISO 26000 for other motives than just the concept of "profit only"? [8].

Dates of the survey

The empirical survey was carried out from March to September 2010.

Respondents

The aim of the survey was to address 100 of the leading Norwegian firms which, owing to their status in the country, have a major influence on the running of the economy. The only

available lists of the top companies in Norway were compiled using Internet search engines, and are shown in *Tab. 1*:

Tab. 1 List of organisations participating in the empirical survey

Name	Address
Best Companies in Norway	http://www.greatplacetowork-europe.com/best/lists.php?year=current&idListName=no&detail=0
50 Best Large Workplaces in Europe	http://www.greatplacetowork-europe.com/best/list-uelarge.htm
Norway`s 500 largest companies	http://www.nortrade.com/index?cmd=show_article&id=299
Largest companies	http://www.largestcompanies.com/
List of the largest companies of Norway (2006) List of the largest companies of Norway (2008)	http://www.norgesstorstebedrifter.no/nokkeltallsliste/1343/

Source: Own source

As it was up to date and included a good number of Norwegian firms, the last of these lists was chosen. The list was compiled in 2008 and contained a total of 500 of the largest firms in Norway, ranked by turnover. The first 100 firms were chosen from this list.

Questionnaire

The questionnaire consisted of a three-page document and contained a total of 18 questions. It was divided into three parts: the introductory part concerned general information about the respondent, the second part was devoted to CSR, and the final part was on the question of the respondent's interest in ISO 26000.

The questionnaire was translated into English and Norwegian and sent with a covering letter to Norwegian firms. Firstly a two-phase form of electronic questionnaire was used. This involved searching company websites to find the contact details of the person in charge of CSR and sending a questionnaire using a generated e-mail address. The first batch of questionnaires was sent out in May, followed by the second one a month later. Then in September 30 firms that did not respond to the electronic questionnaire were contacted in writing. The postal addresses and contact details were again acquired from the companies' websites.

Assessment

Of the 100 respondents contacted, a total of 41 replies were received, which is a 41% rate of return. This figure consisted of two groups of responses; 15 respondents completed the questionnaire, while 26 respondents responded to the e-mail but for various reasons did not complete the questionnaire. The most common reasons for the negative response were time constraints, lack of interest in answering to similar surveys, or concern that sensitive company data could be published. 12 positive responses were received in reply to the electronic questionnaire, and 3 positive responses came after companies were contacted by post. *Tab. 2* below shows a list of the organisations which participated in the survey.

Tab. 2 List of organisations participating in the empirical survey

Company name	Field of business
Orkla ASA	Manufacture of aluminium products
Storebrand ASA Hovedkontor	Insurance, banking
Coop Norge SA	Trade
MøllerGruppen AS	Automotive industry
Eksportfinans ASA	Financial services for export departments
SAS Scandinavian Airlines Norge AS	Air transport
Kongsberg Gruppen ASA Hovedkontor	Supplier of high-tech systems
Hafslund ASA Hovedkontor	Producer of renewable sources of energy
Norsk Tipping AS	National lottery
Kommunalbanken AS	Banking
Kongsberg Automotive Holding ASA	Engineering, design and production of accessories for the automotive industry
Agder Energi AS	Energy producer
ISS Facility Services AS	Service provider
Sparebanken Vest	Banking
Sykehuset Innlandet Hf	Hospital

Source: Own source

The firms which participated in the survey make up a diverse group of respondents representing a variety of business sectors. These include engineering, wholesale, banking services, the aluminium industry, and finance companies, amongst others. This diversity gives a broader insight into the Norwegian economy, but cannot be described as a statistically representative sample. As several sectors of the economy are involved, the results of the survey could not be distorted. The average number of employees in the firms that participated was approximately 250. It is also important to emphasise that not all the respondents completed all the questions, therefore the final result of each item is based on the actual number of responses.

First part of the questionnaire – general information

Apart from the size and name of the company and its sphere of business, which were commented on in the previous section, the introductory part of the questionnaire was focused on the foreign owner of the firm and the person who completed the questionnaire. 5 of the 15 firms stated that they had a foreign owner; the remaining 9 firms did not. One firm did not answer this question at all. Six questionnaires were completed by the CSR manager; two were completed by the human resources manager, and the rest by the communications manager, the environment manager, or others. It is clear from these findings that the questionnaire was completed by a competent member of staff, which was also proved by the knowledge of the term CSR. 100 % of the respondents stated that they knew the term. In 12 cases the firms had a position which involved direct management of CSR issues.

Second part of the questionnaire – CSR

The second part of the questionnaire concerned the general view of CSR and aspects of CSR or previously introduced standards relating to CSR in the business.

The first question was about the company's aims, whether a company should focus merely on profit or whether it should take an interest in the development of society as a whole. All of the respondents generally shared the same opinion on this question. 13 respondents agreed unreservedly (a definite yes) with the need to consider the development of society as a whole; the remaining 2 respondents also agreed, though their answer was "probably yes".

Another opinion concerned the balance between the individual keystones of CSR in the company. Generally these individual keystones were weighted equally. If one particular keystone predominated, it was the economic one. In just two cases the ecological keystone was highest in percentual terms, and the same applied to the social keystone.

According to the respondents, the greatest incentive to introduce CSR was the importance of sustainable development the company coupled with the need for environmentally-friendly practices. The second most common answer was the moral stance of the firm's owner.

The last question focused on standards already implemented by the firms in relation to CSR. The most frequently implemented standards were ISO 14001 and ISO 9001. Two firms stated the Norwegian national certificate relating to environmental protection – Miljøfyrtårn.

Third part of the questionnaire – ISO 26000

The last part of the questionnaire partly revealed the firms' knowledge of or insight into the upcoming ISO 26000 standard, as well as how the firms see the need for the introduction of ISO 26000 in practice.

The first question showed that the respondents were well aware of the upcoming ISO 26000 standard, as only 3 out of the 15 respondents did not know this term. The remaining 12 respondents knew about the standard from professional periodicals (6 respondents), conferences (5 respondents), or via the Internet (4 respondents). Only three out of the 12 respondents who knew about the upcoming standard did not know the planned date of the introduction of ISO 26000.

The firms see one of the greatest benefits of the new standard is the fact that companies interested in corporate social responsibility will be visibly distinct from other firms.

Despite the relatively positive view of the benefits of ISO 26000, only one firm was definitely planning to introduce the standard as soon as it is approved; one firm was planning to introduce it within a year, 3 at some time later in the future, while the remaining 8 firms were not considering implementing the standard. The survey showed that 5 firms would prefer the certification of the standard, while 4 firms were of the opinion that the certification is not necessary. If the standard were to be certified, 5 firms would reconsider and contemplate putting ISO 26000 into practice. At this point it should be said that the upcoming ISO 26000 standard has from the very early stages been designed in such a way that it will not be certifiable by a third party, *which companies are used to seeing with other ISO standards- which is not the case of other ISO standards ???*, such as ISO 9001 (Quality Management Systems) and ISO 14001 (Environmental Management Systems).

4 Assessment of questions, verifying the hypothesis, discussion

Question 1: Is there currently a sufficient interest in the issue of corporate social responsibility to create a demand for the introduction of ISO 26000?

Corporate social responsibility is well known in Norway; one hundred percent of the respondents knew the term. The great majority of respondents have employees, CSR

managers, who are in charge of this matter. It can therefore be said that in the chosen group of respondents there is an evident interest in corporate social responsibility, and so one can expect that these firms will be interested in the ISO 26000 standard.

Question 2: Have businesses actually introduced corporate social responsibility tools, or are they merely claiming to have done so?

Six respondents have introduced the ISO 14001 standard, which relates to environmental issues, while two firms have implemented the Miljøfyrtårn standard, which also covers companies' approach to the environment. The respondents have CSR managers and try to apply CSR tools. It is clearly impossible to give a positive or negative answer to this question, as the results of the questionnaire do not explicitly show whether the firms in question really do apply CSR tools or merely "greenwashing" practices, which means that a company claims to be environmentally friendly, but the reality is actually different. Therefore we now leave this question unanswered and recommend that further research should be carried out.

Question 3: Are there any real differences between the theoretical definition of the term "corporate social responsibility" and the way how the term is perceived in practice?

The firms surveyed see the term in the same way as the current theory, i.e. as divided up into the three basic CSR keystones, which are: "economic, social, and environmental".

Question 4: Do the firms want to introduce ISO 26000 for other motives than just the concept of "profit only"?

It can be said that the firms we surveyed are introducing corporate social responsibility tools for reasons other than mere profit, primarily to secure the long-term sustainable development of the organisation.

Hypothesis

"The selected Norwegian firms are prepared for the introduction of ISO 26000 and there is a demand for this ISO standard."

Question 8 of the questionnaire asked about the interest in applying the ISO standard into company practice. It was clear from the results that the firms are generally ready to put ISO 26000 into practice, although they show no great demand for the standard. Therefore, we could not accept this hypothesis. Only one firm showed an interest in applying the standard in practice as soon as it is issued.

Discussion

Now firms are accustomed to undergo a certification process with the ISO 9001 and ISO 14001 standards. After successful certification, firms present these standards together with their brand name. The ISO 26000 standard clearly does not offer the option of certification, which could be one reason why firms that are ready to introduce the standard show no demand for or interest in it. We will leave this claim for our readers to discuss and the authors of the article will explore the matter in the future.

Conclusion

New experience of the research team was that firms gave specific reasons why they could not complete the questionnaire. Of the 100 firms contacted, 26 thanked us for our interest but would not complete the questionnaire. For example, respondents of the same survey in the Czech Republic did not respond at all. This implies that firms may consider CSR or the ISO 26000 standard highly sensitive in relation to the management of their company. This finding is worth considering, as the economic keystones of CSR exhort firms to be transparent.

ISO 26000 is due to be issued in 2010. The authors and their team asked whether entrepreneurial subjects in Europe were interested in the ISO 26000 standard prior to its

release. It was evident that the firms in Norway know about CSR and they are aware of new ISO 26000, but are not interested in applying it within their companies. These conclusions were also confirmed in the Czech Republic and Sweden, where the results of identical surveys have now been drawn up.

One of the principal expected benefits of ISO 26000 is that this concept of social conduct may be extended beyond the entrepreneurial sector on an international scale.

We would like to emphasise that the research is not representative because of the amount of responses. However, we still think that there is a lot of information about the interest of important Norwegian companies in ISO 26000.

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Ing. Martina Ortová, Ph.D.

Ing. Ivana Chramostová

APLIKOVATELNOST PŘIPRAVOVANÉ NORMY ISO 26000 V PODMÍNKÁCH NORSKÉ EKONOMIKY

Společenská odpovědnost firmy představuje zahrnutí ekologického a sociálního přístupu do řízení společnosti. Mezinárodní organizace pro normalizaci je těsně před vydáním nové normy ISO 26000, která se bude právě problematice společenské odpovědnosti věnovat. V článku jsou představeny výsledky primárního dotazníkového šetření, které řeší postoje a názory předních norských firem z oblasti společenské odpovědnosti. Šetření se dále zaměřilo na poptávku po nové normě ISO 26000 již před jejím skutečným vydáním. Z výsledků šetření lze zaujmout stanovisko, že vybrané norské firmy pojem společenská odpovědnost i ISO 26000 znají. Ovšem normu ISO 26000 nepoptávají a nemají zájem o její skutečnou aplikaci do svých podniků.

ANWENDBARKEIT DER VORBEREITETEN NORM ISO 26000 UNTER DEN BEDINGUNGEN DER NORWEGISCHEN WIRTSCHAFT

Die gesellschaftliche Verantwortung der Firma stellt die Einbeziehung des ökologischen und sozialen Aspektes in die Leitung der Gesellschaft dar. Die Internationale Organisation für Normung steht unmittelbar vor der Herausgabe der neuen Norm ISO 26000, die sich gerade der Problematik der gesellschaftlichen Verantwortlichkeit widmen wird. Im Artikel werden die Ergebnisse einer primären Meinungsumfrage präsentiert, die die Standpunkte führender norwegischer Firmen aus dem Bereich der gesellschaftlichen Verantwortlichkeit zum Inhalt haben. Die Untersuchung befasste sich ferner mit der Nachfrage nach der neuen Norm ISO 26000 bereits vor ihrer tatsächlichen Herausgabe. Anhand der Ergebnisse ist der Schluss zulässig, dass ausgewählte norwegische Firmen den Begriff *gesellschaftliche Verantwortlichkeit* und auch ISO 26000 kennen. Allerdings besteht ihrerseits bezüglich der Norm ISO 26000 keine Nachfrage, sie kein Interesse an ihrer tatsächlichen Anwendung in ihren Unternehmen haben.

MOŻLIWOŚCI WDRAŻANIA PRZYGOTOWYWANEJ NORMY ISO 26000 W WARUNKACH GOSPODARKI NORWESKIEJ

Odpowiedzialność społeczna firmy obejmuje ekologiczne i społeczne podejście do zarządzania spółką. Międzynarodowa Organizacja Normalizacyjna przygotowuje się do wydania nowej normy ISO 26000, która będzie poświęcona właśnie problematyce odpowiedzialności społecznej. W artykule przedstawiono wyniki pierwszych badań ankietowych, dotyczących nastawienia i poglądów czołowych norweskich firm w zakresie odpowiedzialności społecznej. Badaniem objęto również zapotrzebowanie na nową normę ISO 26000 tuż przed jej rzeczywistym wydaniem. Na podstawie wyników badań można stwierdzić, że wybrane norweskie firmy znają pojęcie odpowiedzialności społecznej i normę ISO 26000, jednak nie zgłaszają na nią zapotrzebowania i nie są zainteresowane jej rzeczywistym wdrożeniem w swoich przedsiębiorstwach