

# From Standards to CSR (Corporate Social Responsibility) A literature Review with Application

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**Abstract:** *CSR – Corporate Social Responsibility in this study, encompasses the standards perspective and use facing the stakeholders' expectations. To fulfill its Mission any organization must present true and fair financial statements – got by IFRS and validated /certified by an Auditor through the use of ISA. The organization's internal environment must address the risk either through ERM or ISO 31000. As to the security the working human capital OHSAS 18001 must be considered. Nowadays the business of products /services in the global market pushes organizations to get an ISO 9001. At last these trading organizations being environmentally responsible should implement an ISO 14001. CSR will overcome. Some examples of companies exhibiting CSR in 2017 will evidence the benefits overcoming from the sustainability, that this way they hold.*

**Keywords:** *Corporate social responsibility, Standards – IFRS, ISA, ERM, ISO, Sustainability.*

## INTRODUCTION

Standards or patterns are important because they promote economic efficiency as well as reduce information-related transaction costs among the different peers (Nadvi and Wältring, 2004). However, these standards often constitute non-tariff barriers applicable to international relations. According to the literature while tariff barriers are increasingly low, non-tariff barriers (e.g., technical standards and technical regulations relating to the specificity of products and indirectly linked to production processes) are becoming more and more prevalent (Blanco and Bustos, 2004). In other words, it can be said that the importance of international trade in the global economy has grown significantly in the last decades, but, while tariffs, and quantitative restrictions have been reduced or eliminated, other types of barriers of a completely different nature have a fundamental importance and relevance in business relationships particularly as concerns the range of the technical standards (Antonelli, 1999; Brunsson and Jacobson, 2000; Giovannucci and Ponte, 2005; Henson and Loader, 2001).

Standardization has been crucial for the industrial development of the society as a whole (Blind, 2004). In their historical origin by the twentieth century, standards were used to homogenize an immense panoply of components and third parties supplies and to enable and ease the global transaction. Presently this

issue has become more accurate and many researchers consider it once the standards are applied to the management process and to the systems associated to the outputs either products or services (Heras, 2006). Standards-based management is already considered as a major area of information in academia due to the great success the standards have shown in global companies. Thus, it is relevant to consider the different perspectives of their use under a management perspective because these tools are very interesting when viewed upon the different expectations of the stakeholders (managers, consultants, politicians and researchers).

After mentioning the relevant position of the standards in any type and kind of organization and associated operational process, after conducting its different nature of application, from the accounting to the environment, considering them as a contribution to a more efficient and effective performance the concept of shared responsibility and /or Corporate Social Responsibility will be considered.

## Standards and Corporate Social Responsibility (CSR)

When speaking about Corporate Social Responsibility (CSR) one must take into account the state of the art as to a standard based management.

Originally and as to standards framework one must quote the World Trade Organization (WTO). The WTO's rules – the agreements – are the result of negotiations between the members that constitute it. The current set is largely the outcome of the 1986 - 1994 Uruguay Round negotiations, which included a major revision of the original General Agreement on Tariffs and Trade (GATT). Currently, the WTO includes about 30 agreements on trade. One of these agreements – called Technical Barriers to Trade (TBT) aims to ensure the transparency and consistency of the international transaction, in other words, the use of measures to facilitate it. Measures such as technical regulations, standards and monitoring procedures that should not create conditions that work as a technical barrier to trade but rather something that facilitates it.

It is under this approach that this study will be developed considering the operational process of the organizations. Any organization to fulfill its mission has to comply with the "going concern" principle (continuity) and so its financial statements must be presented in a true and appropriate way. These are

prepared in accordance with the International Financial Reporting Standards (IFRS), and this means that the process of register and accounting of the transactions must follow these standards. Further on these financial statements, in order to gain credibility and external visibility, must be audited through the International Standards on Audit (ISA) (issued by IFAC – International Federation of Accountants, USA).

This way, one can relate the financial statements to standards (Christensen *et al.*, 2015). Besides, the internal environment of the organization confines with some norms that orient and define internal rules and procedures to be followed. It is a question of common sense to grasp that even the best expectations of success as to an organization may be compromised by unknown and unexpected factors that are named as risk factors. This is the issue named Risk Management and it can be addressed either through ERM – Enterprise Risk Management (COSO, 2017) or through ISO 31000 (Risk). This organization may sell a product or a service but in order to survive (what can be considered an existence and continuity risk) in the market competition it must be "quality" embedded. In order to ensure the quality of the international transaction, the products / services must have an ISO 9001 certification and a Quality Management System (QMS) associated. Under a quality approach and to minimize the environmental risk, organizations should apply an ISO 14001 for environmental protection. Finally, when the organization is guided by all these standards and its performance is successful with recognition by the society and the stakeholders therein included, probably, an ISO 26000: 2014 regarding sustainability has applicability. And this way a travel of standards was done (according to what Brunson and Jacobson, would say in the early 21st century) across the soul of a company from the accounting to the environment and concluding with a social responsibility perspective. This is to say that this paper is going to consider the following issues as described in Table 1.

**Table 1 – Corporate Social Responsibility (perspective of standards)**

CSR - Corporate Social Responsibility (ISO 26000)	
Environment (ISO 14001)	Financial Statements (IFRS; ISA)
Product/Service (ISO 9001)	
Human Resources safety (ISO 18001)	
Internal Environment (ERM 2017; ISO 31000)	

The objective of this research is, by the end, to explain how companies can get Corporate Social Responsibility (ISO 26000) and its relation with the use of standards. In order for CSR to be a reality, it is necessary to consider the inputs needed, its application relations to the general environment, the product / service quality,

the safety of the workers, the internal environment of the organization and at each phase of implementation the respective accounting register which further will be audited.

Thus, the parts that make up this study follow the sequence of the table 1. once it is well known that they are interactive. For example, when it is going to be considered the financial statements in the first place, it is because at the end of the line, they reflect, through numbers, the use of all the mentioned management tools in the organization. It is also known that socially responsible firms present a better performance what will be translated in numbers which reflect the sound financial statements of the companies that should inspire confidence and trust to the stakeholders.

## 1. FINANCIAL STATEMENTS

### 1.1 Standards and Accounting – IFRS-International Financial Reporting Standards

The application of International Financial Reporting Standards (IFRS) is now a reality almost worldwide. Much has been written academically on this subject and many countries have volunteered to have its early application. It is interesting to note that there are very different opinions about this issue. Hans et al. (2015) in Germany decided to measure the impact of the early application of these standards on the quality of management reports. They took as reference, previous studies, that measured the accounting quality through the management of results, the timely recognition of losses and the relevance of value. While the literature showed that IFRS contribute to the improvement of the accounting quality, these authors considered that these improvements were just confined to companies that had incentives for their adoption. This study showed that companies that resist to the adoption of IFRS have closer connections with banks and internal shareholders, which are consistent with lower incentives for the use of more comprehensive accounting standards. They concluded from the evidence gathered that they could not infer about changes in the quality of accounting around the voluntary adoption of the early application of IFRS.

Another study (Lourenço and Castelo Branco, 2015) elaborated upon the analysis of a set of 67 articles published between 2000 and 2013 in the accounting journals integrating the Social Sciences Citation Index (SSCI), refers as a consequence of the application of IFRS the positive effect on the quality of information, capital markets, analysts' predictability, comparability and the use of information. But this effect is also related to other factors, such as the characteristics of countries and companies. Let us say that, in short, they result from issues such as a socio-cultural framework of the

country. The authors concluded that rule-sharing is not by itself enough for the creation of a common business language, management incentives and institutional factors play an important role in framing the characteristics of financial reporting.

Regardless of whether having or not having advantage with IFRS/IAS application, presently, this is a global reality. The comparability and harmonization of financial information – the great motive of these standards – are goals that must be reached. And for this to happen to get accuracy in the numbers associated to the goals one must ensure that everything that is registered correctly and in accordance to the appropriate and applicable standards. To do this analysis and inspection of the accounting process in order to assure it will be developed and the audit process takes place. This process is also governed or oriented by standards.

### 1.2. Standards and Auditing – ISA-International Standards on Audit

Bookey and Soobaroyen's study (2016) uses the ISA's application and the consequent advantages of their use. They tried, for the first time, to investigate the determinants of ISA adoption and the commitment to harmonization on a cross-national basis (empirically testing 89 countries). The results show that the protection of minority interests, law enforcement, creditor/ borrower rights, foreign aid, the prevalence of foreign ownership, educational level, and particular forms of political system (level of democracy) prevailing in a country, are observed as significant predictors. The aim of the study was to measure the degree of commitment to the adoption and harmonization of ISA. Statistical analysis used showed that coercive, mimetic and normative pressure have a significant impact on the adoption of ISA in relation to economic factors (led by efficiency). Furthermore, the findings reveal that the current efforts of IFAC and other international agencies in order to use ISAs should encompass a broad range of institutional rather than economic factors which are, in fact, relevant reasons for the development of audit policies around the world.

It should be noted that ISA, in Portugal, and in accordance with the Order of Chartered of Accountants Official Reviewers, are a mandatory tool for the Official Auditors in the development of any audit process. Either in the product manufacturing or in the service rendering processes the communication with customers or suppliers is crucial. Yet, there is a risk of failure or even of mistakes that can happen what is something inherent to any kind of business activity. Any auditor is aware of this and knows perfectly that

this risk may begin inside the organization or in other words - in the internal environment.

## 2. INTERNAL ENVIRONMENT: ERM 2017 OR ISO 31000

The Internal environment risk can be faced by Enterprise Risk Management (COSO, 2017) which is a tool, or a benchmark, that if well applied in the organization will contribute to a good performance. The inputs of this process are a clear definition of the organization's Mission and a Vision for the future positioning of the company in the market.



Figure 1 – ERM 2017

Source: 2017-COSO-ERM-Integrating-with-Strategy-and-Performance- Executive-Summary.pdf

The operational process consists of identifying the following aspects related to the organization's business strategy and objectives:

- Governance of risk and culture, v.i.z. how the organization identifies risk
- The relevance of the organization's culture in terms of risk
- The risk strategy has to do with the guidelines defined to identify risk situations
- The implementation of the risk concerns the way in which the risk is identified
- Risk reporting / reporting means how and to whom the risk environment is communicated
- The monitoring of enterprise risk management, that is, the ways found to test the risk in the organizations after having implemented the measures

This new COSO (2017) means that if all these previous steps are considered (mission, vision and operational process under a risk supervision) the performance of the organization will be enhanced.

As an alternative to using ERM 2017 in order to mitigate the risk as well, organizations can also implement an ISO 31000 (last revision occurred in 2014) whose content in synthetic terms is as follows:

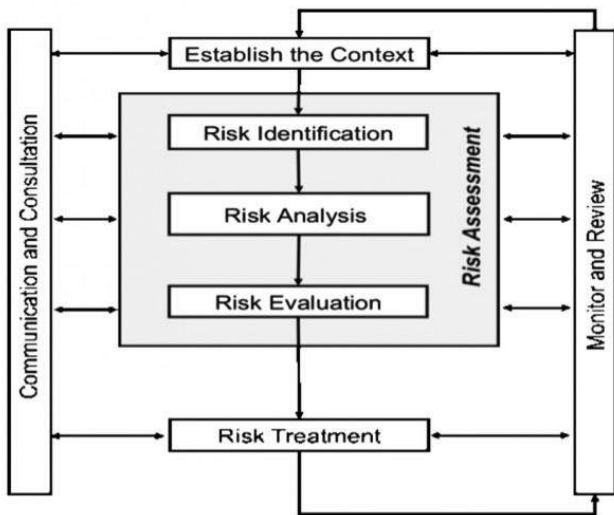


Figure 2 – Management risk and ISO 31000

Source: ISO 31000 - risk management - flowchart

It should be noted that companies used to working with ISO 9001 will prefer ISO 31000 to ERM because the language is objective and directed in the same way and approach of the former standard (ISO 9001). In terms of Input, the communication and consultation within the organization arise as to the risk positioning. This way a suitable framework for assessing the risk across three distinct phases is considered: identification, analysis and evaluation. Finally, the risk treatment is named and further on and in terms of audit all these steps will be evaluated inspected and monitored so that a permanent idea of risk is taken into account.

As to a practical application, Oliveira et al. (2017) considered ISO 31000 as to the supply chain (SC). The authors considered this issue because the breaks and disruptions in the supply chain can cause huge financial losses and even undermine corporate reputation. As it is well known supply chain risk management (SCRM) is a multi-step process analysis. However, researchers register some differences on the number and content of these steps. Their objective (Oliveira et al., 2017) was to analyze the applicability of ISO 31000 as a systematic procedure for the SCRM and considered it under a defined structure in a specific company. From literature review, the risk management steps proposed by SCRM surveys were compared and harmonized. In addition, a way was developed in order to identify and prioritize the risk assessment tools and techniques in ISO 31000: 2009, so that, it could integrate a procedure for SCRM, based on the Analytic Hierarchy Process (AHP), exemplified in an industry supply chain car. Based on the analysis of the results of the research, the authors concluded that ISO 31000 can be used as a standard method to execute SCRM, provided the tools and techniques are selected according to the needs of the company and the characteristics of the business. Thus, it can be registered that all standards allow

organizations to have, at their disposal, tools that help them to minimize the risk involved. Everything will depend on the top management intention, the needs of the company and the specific characteristics of the business. Literature says as well that any business involves the use of workers and they have a very significant weight in the success of the organization. This is the reason why the human capital is so important and considered as an asset that must be protected. It is well known that workers in the organization are submitted to risk and their safety (as a risk if it is not considered) must also be considered. This way it is time for presenting OHSAS 18001.

3. HUMAN RESOURCES SAFETY: OHSAS 18001

This standard OHSAS 18001 - Occupational Health and Safety Management Systems consists of a series of British standards, developed by the BSI Group, for guidance on the formation of an Occupational Safety and Health Management and Certification System.

It is a management system that helps an organization to control the work risks and improve its performance. The main issues of its implementation are the following:

Table 2 – OHSAS 18001 main assumptions

Legal requirements	Competence
Objectives and program	Training
Resources	Communication, Participation and Consultation
Functions	Operational control
Responsibility/Authority	Preparation and feedback to emergencies
Follow up: Performance	Measurement and Improvement

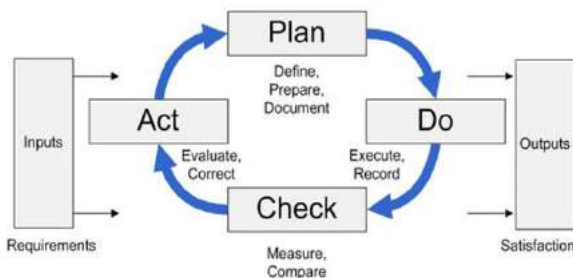
The definition of the legal framework of the organization and respective workers is the beginning of these recommendations. A full description of the objectives, a monitoring program, the available resources needed to achieve that goal will be a point of reference. The functions related to the human capital, the definition of responsibilities /authorities are deeply related to the training of competence and class awareness. Communication is a fundamental issue because it reflects an engaging and shared participation. Operational control and the measures thought to deal with emergencies are issues that, when considered, also justify a performance improvement. This way if organizations follow these recommendations as to safety at work one can register a minimization of risk. However, it is important that the human resources of the organization know that they contribute to their success and that they are recognized. Particularly when the contribution of the work helps the transaction of relevant products and/or services in the global market. It is well known that big



companies of the global market sell either products or services and they must render some quality and warranty to the customers. This warranty is deeply connected to the implementation of ISO 9001.

**4. PRODUCT OR SERVICE – ISO 9001:2015**

ISO 9001 (2015) is the standard that organizations must apply in order to have a product/service, quality certified and in this way through their sales a guarantee is associated either to and from the global transaction. Below the diagram of ISO 9001 is described as a process of continuous improvement (Figure 3).



**Figure 3 – Diagram of ISO 9001:2015**

Source: Google – ISO 9001 2015 flowchart

To implement this standard on quality certification, any organization needs to meet the most relevant points (from point 4 to point 10) that meet the requirements in order to get the satisfaction of the market players.

**Table 3 – ISO 9001 main issues**

4 Context: definition of the interested parts in the Quality management System
5 Leadership: grasping the power distribution and delegation within the organization
6 Planning: way as the organization forecasts its business future
7 Support: operational structure connected to the “core business” of the company
8 Operations: process related to the product/service
9 Performance Evaluation: process implemented in the organization
10 Improvement: definition of indicators and goals to be reached through the Quality Management System

Studies about the "quality" factor show that the quality process can contribute to a change in the structure of the organizations (Deming, 1989, Heras, Dick and Casadesús, 2002, Chenall, 2003; Johana a and b, 2007). The hierarchy in a company is defined in order to accomplish its goals but it can be altered in order to better serve the aims of quality and the management goals embodied in the organization's mission. It is a question of common sense to say that any organization for working efficiently and effectively needs leadership (Mintzberg, 1987; Zahirul, 2003) but this leadership concept is now changing becoming more lean. It will be a reasonable and expectable way of good leadership

that will orient and make feasible the designed strategy for reaching the goals of the organization's mission (Drucker, 1986; Kaplan and Norton, 1992, Ortiz, Benito and Galende, 2006: Oakland and Tanner, 2007). All these management issues should be viewed through and across the cultural factors (Schein, 1999). Even when a corporate governance issue is considered many researchers argue that it should be investigated how risk structures and risk culture together influence risk behaviour (Sheedy and Griffin, 2017).

The global market needs more and more this understanding. Even the academia is paying attention to this fact. One can just take an example of application of the ISO in Universities where it can be registered the importance of these issues. Basir et al. (2017) based on a review of the literature considered the academic culture classified according to four elements - academic freedom, individualism, professionalism and collegiality - and elaborated two case studies carried out in Malaysian universities. These were ISO 9001 certified for 5 years. At the time of this research, these two were the only universities that had certification for the entire organization (most organizations get certification only for specific departments). The results showed that academic freedom, individualism and collegiality worked against the maintenance of ISO 9001, while professionalism had influenced the maintenance of ISO 9001 both positively and negatively. The opposites of individualism (teamwork) and collegiality supported the maintenance of ISO 9001 in one case.

Undoubtedly, a Quality Management System applied in any organization obeys to procedures established in its scope of application and these constitute a limitation to the rapid and creative changes within it. However, it has to be elastic enough in order to be manageable. It could be said that there is not a perfect solution but in reality the procedures are fundamental to help to manage the organization because this way everyone knows who is who, who does what and how the production is measured. These indicators associated to the Quality Management System (KPI – key process indicators) are fundamental to build a continuous improvement that is, the ultimate goal of this quality system. For sure a quality process implies the quality of the environment where the process is developed.

**5. ENVIRONMENT – ISO 14001**

And these two variables are quite related. Any entity considering the environment (running for a ISO 14001) should previously have an ISO 9001. This is so because the implementation of procedures is quite similar and complementary. Typically, the most polluting sectors (such as pulp, chemicals, oil and civil construction, among others) will be most interested in complying with this standard to show conformity to the stakeholders' expectations as to the environment. ISO 14001 can be described as follows:



Figure 4 – Diagram of ISO 14001

Source: ISO 14001 flowchart

This standard, as well as all the others, involves: the responsibility of the management and the environment policy defined by the organization, the environmental directives (usually European ones), the associated planning, and its implementation as well as the monitoring and measures for the corrective actions. A recent study by Murmura et al. (2018) states that in the last decades, the adoption of Environmental Management Systems, as structures for the integration of corporate environmental protection policies and programs, has begun to become a growing practice between national and multinational companies around the world. The results of this study were compiled from an empirical survey conducted among Italian companies - certified with ISO 14001 Environmental Management System and the European System of Eco-Management and Audit (EMAS). The objective of the research was to identify the types of companies that have implemented an EMS standard, to examine the motivations that led them to introduce it, to identify perceived benefits and barriers, and to assess the differences and similarities between these two systems.

The research was carried out through a questionnaire sent to 1657 certified organizations of which only 190 participated. In terms of methodology the following tools were used: analysis of variance; the chi-test ( $\chi^2$  test) and the Pearson's correlation for the analysis of motivations, benefits and barriers. The survey results show that EMAS certification seems to be strictly related to ISO 14001; in fact, most companies operating in international markets have both standards. In addition, and especially the larger companies that have embarked on certification because they are almost "pushed" for certification for different reasons (market, benchmarking, the peers position). Time was also considered a relevant discriminant factor. Regarding the analysis of perceived benefits and barriers, there

was an important similarity relationship between ISO 14001 and EMAS. The research made an added contribution to the importance of good environmental management, what has become a very relevant issue nowadays.

In summary, companies seeking for an ISO 14001 already show a form of responsibility towards the society and environment, seeking to protect from its less positive effects. But if they have an ISO 14001 they also have an ISO 9001. And most likely the risk situation will be controlled either through a tool like ERM or ISO 31000. Procedures like OHSAS 18001 will secure the workers. At last if the financial statements evidence good results or profits and if the companies are aware of their duties then, one might say that corporate social responsibility emerges.

## 6. SUSTAINABILITY OR CSR - CORPORATE SOCIAL RESPONSIBILITY (ISO 26000:2014)

ISO 26000: 2014 (latest revision) provides guidance for all types of organizations, regardless their size or location. As to social responsibility, this standard includes: the concepts, terms and related definitions; the background, trends and characteristics; principles and practices and related core issues.

At the same time, it is referred how to integrate, implement and promote a socially responsible behaviour throughout the organization, through its policies and practices, within its sphere of influence; finally, the suggestions of the standard are to identify and involve stakeholders and communicate the commitments, the achieved performance and other information related to social responsibility.

ISO 26000 is intended to help organizations to contribute to a sustainable development and to encourage it by moving beyond legal compliance. The aim is to promote common understanding in the field of social responsibility and complement it with other social responsibility tools, instruments and initiatives. In applying ISO 26000 it is advisable for an organization to focus on social, environmental, legal, cultural, political and organizational diversity, as well as differences in economic conditions, consistent with international standards of behavior.

This Standard does not contain any requirements, nor does provide any certification with guidance on social responsibility and can be used as part of public policy activities.

However, for the aims of the World Trade Organization (WTO) Marrakesh Agreement, 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 decision of a measure compatible with WTO obligations. Moreover, it is not intended to provide a basis for legal action, claims, defenses or other claims in any international, national

or other process, nor is it intended to be cited as evidence of developments in customary international law. ISO 26000 is not intended to prevent the development of more specific, more stringent or different national standards.

The performance of an organization that holds social responsibility can influence, among other things:

- competitive advantage and reputation (organization, management, governance, operational practices);
- the ability to attract and retain workers or members, clients and third parties (human rights: labor practices);
- maintenance of employee morale, commitment and productivity (human rights, work practices);
- the perception of investors, owners, donors, sponsors and the financial community (customer / stakeholder issues);
- relationship with companies, government, media, suppliers, peers, clients and the community in general (involvement / development: in the community).

In brief the main issues concerning sustainability are:



Figure 5 – Sustainability parts

When speaking about corporate social responsibility due to the size and relevance of the subject, it is necessary to mention America where its studies reveal some more pertinent comments because there are many. Gupta, Briscoe and Hambrick (2017) analyzed the position of US companies in relation to CSR - Corporate Social Responsibility. The authors questioned why companies presented different positions regarding corporate social responsibility (CSR): previous research has emphasized the role of external pressures as well as CEO preferences, while little attention has been paid to the possibility that CSR may also derive from the prevailing beliefs among the company's body policy. The authors introduced the concept of organizational political ideology to explain how the political beliefs of organizational members shape corporate advancement in CSR. They used a new measure based on the workers' politics contribution,

with data from Fortune 500, and found out that this issue foresees advancements in CSR. This effect seems to be stronger when CSR is rare in the corporate sector where firms are located, when firms have high human capital intensity and when the CEO has a long time in the organization. Another relevant issue addressed by the authors was the reason why companies vary their positions regarding corporate social responsibility (CSR). Previous research suggests that companies get involved in CSR when they are under pressure to do so, or when their CEO's have liberal values. It was then used the concept of organizational political ideology and the conclusion is that CSR can also result from the values related to the large number of employees. Then introducing a new measure of organizational political ideology based on employee donations to the two major political parties in the United States, it has been found that liberal companies are more concerned with Corporate Social Responsibility than conservative ones, and even more, when other firms belonging to the same industry have weaker CSR records, when the company relies heavily on human resources, (thus having many workers) and when the CEO of the company has a long organizational mandate.

From these final ideas assessed from Gupta et al. (2017) about America and considering the conclusions of a PWC study made in 2012, in Portugal, one may comment and compare this reality. This PWC study covered different sectors of activity, in Portugal, with implemented CRS: energy, transport, logistics and real estate construction accounted for about 65% of all CSR companies and their conclusions are in line with Gupta et al. (2017) who considered the large American reality. This is to say in a detailed characterization analysis, that companies with many workers and a strong and shared leadership, presenting a considerable turnover, need to guarantee and defend their reputation/brand and are looking for something that sets them apart from the others and that something is Corporate Social Responsibility.

## 7. CONCLUSION AND ACTUAL APPLICATION

Thus, it can be concluded that if CSR exists in any organization, it needs the existence of a wide range of management tools among some of which are: IFRS; ISA; ISO 9001: ERM; ISO 31000; OSHAS 18001; ISO 14001. After the implementation of these according to the available resources of the organizations probably they will contribute to the greater efficiency and effectiveness of management.

It is quite interesting at this point of the research to reveal some ideas that confirm and give light to the above mentioned literature review. Karsten Strauss from the FORBES staff when interviewed was asked about the best ten companies, as to CSR in 2017, and they were: LEGO, Microsoft, Google, Intel, Walt Disney, BMW, Bosch, Cisco, Rolls Royce and Colgate Palmolive. As to the reasons explaining why they had CSR some of



them were really explained with practical evidences associated:

**Innovation** – Using the “lens of sustainability” as McDonald (Vice President) described it, Unilever was able to innovate new products such as a hair conditioner that uses less water. Without sustainability, the company’s research and development efforts possibly wouldn’t have led to such a product.

**Cost savings** – One of the easiest places for a company to start engaging in sustainability is to use it as a way to cut costs. Whether it’s using less packaging or less energy, these savings add up quickly. For example, General Mills is on a path to reduce its energy savings by 20% from 2015. According to its 2011 CSR report, after installing energy monitoring meters on several pieces of equipment at its Covington, Ga. plant, the company saved \$600,000.

**Brand differentiation** – In the past, brand differentiation was one of the primary reasons companies embraced CSR. Companies such as Timberland were able to find their voice and incorporate the company’s values into their business model. However, as CSR has become more commonplace, using it to differentiate the brand is getting harder to do. For example, the “Cola Wars” is one of the longest running rivalries in business. Coke and Pepsi are constantly looking to grab as much market share as they can from each other. Yet they are both adopting similar, although slightly different, approaches to CSR. Both Pepsi and Coke are pursuing strategies of zero net water usage. Both companies offer water bottles made from sustainable packaging as well. In the end, although neither company is necessarily going to see strong differentiation benefits CSR is taking hold and is not just a fad.

**Long-term thinking** – CSR is an effort to look at the company’s long-term interest and ensuring that the company’s future is well sustainable. Hence, that’s why the term sustainability is better than CSR. It is a shift from worrying about the next fiscal quarter’s financial results to the impact business decisions today have on the financial (and social) results ten years from now.

**Customer engagement** – What’s the point of doing CSR if no one knows about it? For the past few years, Walmart has established itself as a leader on environmental efforts. Yes, you read that correctly, Walmart is a leader in environmentalism. In 2008, Walmart ran an “ad campaign” designed to raise awareness about the environment and the product choices consumers could make. Using CSR can help the engagement with customers in new ways. Since the message is about something “good”, it can often be an easier way to talk to customers. This is an underused tool for business-to-business company communication.

**Employee engagement** – Along similar lines, if the employees don’t know what’s going on within the

organization, there is a missing opportunity. At a more grass roots level, the Solo Cup Company in America created the Sustainability Action Network to activate employees in community service focused on the company’s CSR priorities.

At this point one can conclude that these standards are an inherent part of the management process in any organization. Furthermore, their applicability will contribute to a better performance and a solid or different market positioning. The choice for Corporate Social Responsibility or sustainability, evidences a relevant contribution to the inside and surrounding environment.

### Limitations of the study and future research paths

As limitations of the present study it is pointed out the too wide variety of management tools (standards) described, which makes it very hard to find a whole and single practical case. Yet and based on this limitation and as clues for future research, it is suggested exactly the development of case studies in some companies located in different branches of activity and considering the existence (or not) of these standards related to CSR. By the end it would be most interesting to make a comparison of the CSR added value for the organizations depending on the type of activity.

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