

CSR and competitive advantage through an ISO 26000 lens: comparison between forest industry in North America and Europe

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ABSTRACT

Our paper focuses on strategic corporate social responsibility (CSR, e.g. Galbreath 2009) and particularly insights on the emerging trend to increase the credibility and legitimacy of CSR through standardization (e.g. ISO 26000 guidance standard). The ISO 26000 standard provides guidance on the integration of CSR into management processes and it has been characterized as an evolutionary step in standard innovation. The core subjects list of ISO26000 presents the most essential areas of CSR that an organization should take into consideration in order to maximize its contribution to sustainable development. With the exception of Hahn (2012, Hahn and Weidtmann 2012), few business scholars have adequately addressed how the guidelines of ISO 26000 are perceived by stakeholders, and whether there are country-specific characteristics in the implementation of CSR. As the standardization of CSR is on the horizon, it is urgent to fill this gap in knowledge

Our empirical analysis focuses on North American and Scandinavian forest products companies as the concept of strategic CSR is becoming commonplace in the forest industry. Companies in these two regions are under pressure to maintain sustainable competitiveness while global demand and investments shift to South America and Asia. However, little knowledge exists on the connection between a firm's sustainability strategies and competitive advantage in a cross-regional context (Li and Toppinen 2011). Our data were obtained through in-depth interviewing of 10 sustainability managers in large-scale companies, and the analysis consists of qualitative content analysis of the thematic interviews in June-September 2012.

Our results highlighted the components and categories of CSR arising from ISO26000 that are being prioritized. The patterns and characteristics in the managerial perceptions regarding

the different categories of CSR bear a lot of similarities on both sides of Atlantic. Environmental issues and organizational governance are the two key priorities in both regions since these two categories of CSR were mentioned most frequently in the interviews, whereas consumer issues and human rights are among the least addressed categories from ISO26000 core concepts. A new category emphasizing financial issues also emerged through data and analysis. However, our study also highlighted an existing information gap as the sustainability managers seem to be relatively unfamiliar with the ISO CSR standard.

Our findings are in line with the earlier research that suggests that as an extractive industry, the forest-based industry tends to address environmental issues as a priority area of CSR. The results are also consistent with previous research that suggests that CSR is a case- and company-specific concept. This study suggests that the emerging standardization of CSR and the recently released ISO 26000 standard are seen as an opportunity rather than a threat in case of forest industry, although the industry does not yet have a deep familiarity with the standard nor its potential uses.

The findings provide valuable practical insights into the current implementation and drivers for CSR practices of forest products companies. Furthermore, the study has managerial implications for the forest industry and sustainability managers who are interested in the applicability and adaptation of ISO 26000. The voluntary use of ISO 26000 should be emphasized, as well as the fact that the standard is not intended for certification. The potential misuse of ISO 26000, for instance false claims of certification, might undermine the credibility and the legitimacy of CSR. This could have severe implications for ISO 26000 as a potential source of competitive advantage. Therefore, ISO 26000 should not be adopted by companies that have insufficient capabilities to deal with the actual purpose of the standard.

References:

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