

Main Focus

Two sides of the same coin – Social responsibility and sustainable organizations

by Dr. Jorge Emanuel Reis Cajazeira, Chair of ISO/WG SR, Social responsibility, and Dr. José Carlos Barbieri, Professor and Researcher of Sustainability Studies, Getúlio Vargas Foundation

Sustainability and social responsibility are intrinsically linked. A study undertaken by ISO in 2004 showed that at present we commonly associate social responsibility with sustainable development and the economic, environmental and social aspects of the activities carried out by an organization.¹⁾

In spite of their differing origins, the movement towards sustainable development and the one towards social responsibility present convergent trajectories, so that it is no longer possible to speak of one without mentioning the other. They are as inseparable as the front and back of a coin.

The ideal of social responsibility has of course been present throughout history in one form or another, but the modern notion had its heyday for the business community in the 1960s. The Nobel Prize-winning economist Milton Friedman initiated an intense debate on this topic with a famous 1970s article in the New York Times Magazine entitled “The social responsibility of business is to increase its profits.”

From this debate grew opposing views which enriched the social responsibility movement with new theoretical

and practical approaches, such as respect for human diversity, the fight against corruption, promotion of quality of life in the workplace, the influence of organizations on personal behaviour, and environmental protection.

Green roots

Sustainable development had its roots in various environmental initiatives. The expansion of industrialization and occupation of areas intended for agricultural and mineral exploration, with deleterious effects for the environment, called for action in this field. At the end of the 1960s, a variety of environmental crises drove home the point that the vast majority of human beings live in precarious conditions.

The UN Conference on the Human Environment, held in Stockholm in 1972, was an important milestone in the movement for sustainable development, although that term was not yet in use. One of its main contributions was to associate environmental and social issues – a landmark for social responsibility.

Able to do it all

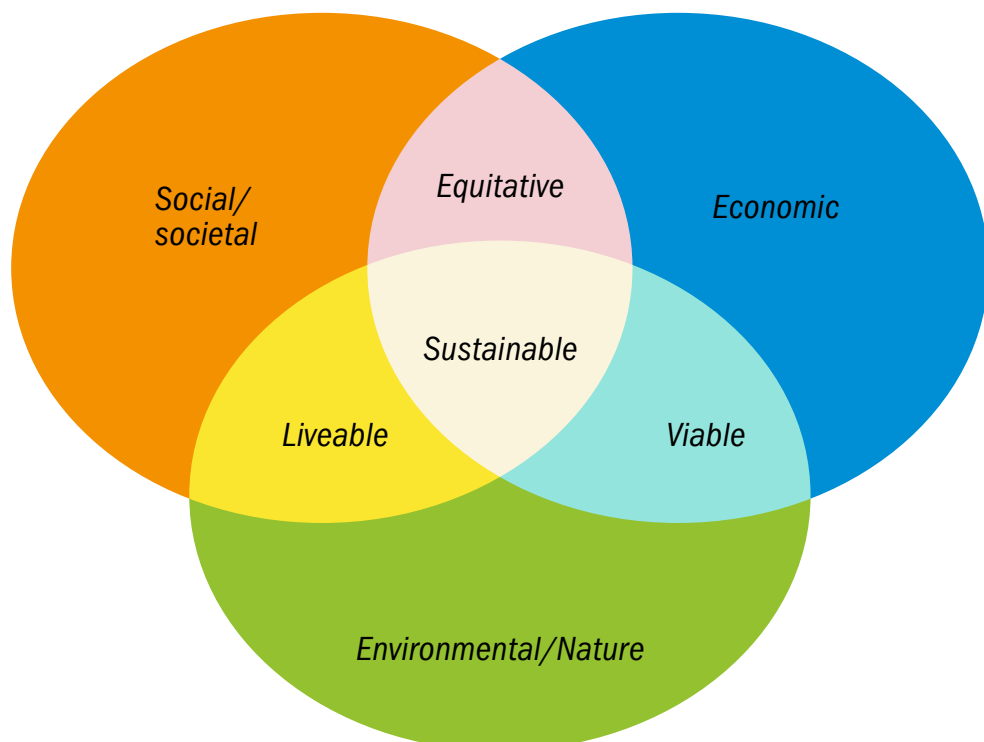
The main goal of sustainable development is the pursuit of a better world for human beings. This means the ability to supply goods and services enabling a dignified life for the present generation, while preserving and protecting the environment so that future generations can do the same. It is a socially inclusive development proposal that respects the environment so that it can continue to supply the resources needed for prosperity. As such, it can be understood in three dimensions: economic, societal and environmental (see **Figure 1**).

The ideals of social responsibility and sustainable development converge in the notion of a sustainable organization – one that not only contributes to meeting these goals, but which can also successfully achieve its own objectives.

The need for ISO 26000

Although meeting these criteria might at first appear daunting, the good news is that organizations can count on the wealth of principles, guidelines, models and management tools created in recent

Figure 1 – Dimensions of organizational sustainability.



1) Working Report on Social Responsibility, ISO Advisory Group on SR, April 2004.

decades, such as environmental management International Standards, health and safety management standards, anti-corruption conventions and others.

However, this diversity generates choice problems, underlining the need for a comprehensive International Standard – which guidelines to follow, which standards to apply? To this end, the future ISO 26000, *Social responsibility*, aims to integrate several recognized concepts, guidelines and social responsibility tools, so that organizations can align choices with their strategies and needs.

Stakeholders have a say

Another central point in the discussion of social responsibility and sustainability is the importance of dialogue with stakeholders. Beginning with ISO 14001, *Environmental management systems*, ISO has been a pioneer in including and communicating with all stakeholders to respond to the demands of society – a concept that was taken even further with the development of ISO 14063:2006, *Environmental management – Environmental communication – Guidelines and examples*.

About the authors



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ISO 26000 incorporates several innovations in the way a standard is built. For example, national working teams are divided by stakeholder category (government, NGO, industry, consumer, worker and services).

Currently, representatives of six stakeholder groups participate in the working group on social responsibility (WG SR): industry; government; labour; consumers; nongovernmental organizations; and services, support, research and others.

Two experts from each stakeholder category – one from a developed country and one from a developing country – take part in the Integrated Drafting Task Force (IDTF) which is responsible for reviewing and revising the ISO

26000 drafts. Representatives of the International Labour Organization and the United Nations Global Compact are also participating in the IDTF.

Currently, the standard is in the committee draft stage, meaning that the document is already sufficiently mature to be submitted to initial international scrutiny.

The decision for progress was taken at a recent plenary of the WG SR. The meeting was one of the largest ISO standards development meetings ever held, with 386 experts attending from 76 ISO member countries and 33 liaison organizations, highlighting the diverse and wide interest in this standard.

What industry is saying

ISO Focus has often asked leaders of industry and international organizations to comment on the future ISO 26000. Below are excerpts from guest views featured in previous issues during 2008-2009.

“The value of ISO 26000 lies in that it will be the outcome of work carried out by 400 experts from 90 countries representing industry, trade unions, NGOs, consumers, governments, standardization bodies, consultants and researchers.”

Eija Pitkänen, Head of Sustainability, Stora Enso (February 2009)

“ISO 26000 is a way of truly mainstreaming the concept of social responsibility, using a worldwide standards system that most companies are likely to be familiar with.”

Alan Rosling, Executive Director, Tata Sons Limited (September 2008)

“Organizations that proactively engage in and support sustainable activities will not only have a competitive advantage, but also improve their chances of establishing good long-term relationships with their associates.”

Siegfried Dais, Deputy Chairman of the Board of Management, Robert Bosch GmbH (June 2008)

“I also have expectations as to the ability of ISO 26000 to help introduce organizations worldwide to what fundamentally we expect when we say ‘social responsibility’.”

Achim Steiner, Executive Director, United Nations Environment Programme (February 2008)

“One of the good things about the new ISO 26000 standard is reporting responsibility... It creates a pressure that leads to positive progress.”

Henry Jarlsson, CEO, Kinnarps (January 2008)

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The decision to move to the committee draft stage is not only a milestone in the process of developing ISO 26000. It is also living evidence that the multi-stakeholder approach adopted by ISO for this task is an effective tool for dealing with complex subjects in large and highly diversified groups.

Seven themes, seven chapters

In its present version, ISO 26000 is structured into seven chapters, as illustrated in **Figure 2**, following the logic that seven principles of social responsibility guide central themes which should be integrated into organizational management.

These themes – governance, human rights, environment, labour practices, loyal operations practices, consumers, community development and stakeholder expectations – should follow the integrating model proposed in Chapter 7, encompassing dialogue with society as a vital element of integration.

Organizational social responsibility, understood as a means to contribute to sustainable development, sets out new requirements for entrepreneurial communication. This requires conception

and planning as a strategic activity with a high commitment by top management. ISO 26000 will be a vital instrument in achieving these goals. ■



Figure 2: ISO 26000 standard simplified structure.

