This research responds to the market demand for better understanding of the variety of corporate social responsibility (CSR)-standards from the market actors’ perspective. Authors introduce the selected systems theory and holistic thinking needed for the implementation of CSR standards into the innovated enterprise policy. Historically built understanding of CSR is discussed, and existing international CSR initiatives/standards are compared. Taking the perspective of the market actors as participants who need orientation for embedding social responsibility into their enterprise policy, management and practice, authors focus on the most prominent CSR standards to detect their overlaps, distinctions, the extent and depth of CSR in them. On the basis of these findings, three types of CSR standards are identified. Copyright © 2014 John Wiley & Sons, Ltd.

Keywords Corporate Governance; Corporate Social Responsibility; Dialectical Systems Theory; Strategic Management; Sustainability

INTRODUCTION

New benefits for the current/coming generations should be provided through innovations: they depend on requisitely holistic approach (Mulej et al., 2013). To make this possible, modern enterprise policy/governance, management and practice need the shift towards advanced, integral management models (Duh and Štrukelj, 2011). Enterprises should be oriented towards greater social responsibility (SR) (EU, 2011) and (humans’) requisite holism (Šarotar Žiček and Mulej, 2013). To achieve this, enterprises must innovate their enterprise policy/governance, towards more SR. Corporate SR (CSR) is a contemporary version of informal systemic behavior designed to attain requisite holism of behavior of influential persons and enterprises. The vast
literature on CSR confirms the rapidly growing interest in this concept from an academic perspective (Belak and Duh, 2012); (Belak and Hauptman, 2011) and from the perspective of the business practice (Valeva, 2012). This article aims to contribute to structured understanding of the different international CSR standards and to the further development of CSR concepts and instruments. From the practical perspective, we compare the most prominent CSR standards. Our methodological contribution emphasizes the importance of the perspective of the single market actor (micro-level) when introducing CSR standards on the national and/or international (macro) levels.

We briefly discuss the selected systems theory, holistic thinking and set hypothesis. The historically built understanding of CSR in reference to the sustainability concept, stakeholder view of the enterprise and business ethics is briefed. Evolution of the CSR concept on the European political level is summarized. We compare subjectively selected existing and recognized CSR standards (Table 1). Comparative analysis detects overlaps, distinctions, extent and depth of CSR in them. On the basis of these findings, we developed three types of CSR understanding.

### THE SELECTED SYSTEMS THEORY AND HOLISTIC THINKING

Corporate SR includes human responsibility for the consequences of human action to society, which is to people and nature (EU, 2011). CSR matters for the entire society, for humans and enterprises, because it helps them avoid problems, which result from un-holistic, for example, irresponsible, dishonest, unreliable actions. EU (2011) no longer exposes enterprises’ free will to embrace CSR but recommends European Union (EU) member states and enterprises to promote CSR. Enterprises can use CSR standards to establish more responsible enterprise policy/governance, management and practice. This is easier to attain with the use of Mulej’s (1974, and later) dialectical systems theory and its ‘requisite holism’ (Mulej and Kajzer, 1998); (Mulej, 2007); (Mulej et al., 2013) that enables consideration of all and only essential viewpoints in synergy to lead to requisite holism of approach and requisite wholeness of outcomes, replacing one-sided mono-disciplinary approaches and methods.

To match the enterprises’ necessity for policy/governance innovation towards more CSR, which belongs to key starting points for enterprise’s long-term survival, we originated in MER Model of integral management (Belak and Duh, 2012) (MER = Management and Development) and examined the following hypothesis: for innovating of enterprise policy/governance towards more responsibility, the information about CSR standards and types of CSR standards derived from their

---

**Table 1** Selected criteria for comparing selected corporate social responsibility standards—a requisite holistic approach

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Criteria description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation</td>
<td>Allocates the initiative in the theoretical terms: CSR and sustainability.</td>
</tr>
<tr>
<td>Context</td>
<td>Indicates the source of the initiative: national/international and governmental/professional.</td>
</tr>
<tr>
<td>CSR issues</td>
<td>Indicates the CSR issues the enterprise is expected to comply with and to report on: human rights, labour practices, social performance, economic performance, environmental performance and product responsibility.</td>
</tr>
<tr>
<td>Stakeholder process</td>
<td>Indicates the enterprise’s stakeholder’s enrollment in the CSR process. One must note that the sporadic involvement of stakeholders in the decision-making processes must be differentiated from the systematic conduction of CSR based on embedment of key stakeholders in the strategic management process.</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Indicates the direction of the standard in terms of reporting or management system.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Indicates what type of data is to be presented in the enterprise’s report: quantitative/qualitative.</td>
</tr>
<tr>
<td>Organization</td>
<td>Indicates what type of organizations the standard addresses.</td>
</tr>
</tbody>
</table>

CSR, corporate social responsibility.
comparison are essential, because they are
directing the enterprise’s development.

THE CORPORATE SOCIAL RESPONSIBILITY
CONCEPT—THEORETICAL AND POLITICAL
BACKGROUND

Business ethics, stakeholder management and sustainability are concepts that explain the relation between business and society. These approaches are incorporated in the newly released term CSR. As an umbrella term, CSR causes difficulties in the interpretation and in its practical implementation.

The term sustainability has its roots in the forestry of the 18th century in Germany.1 In the 20th century, the definition of sustainability is closely related to its origins: “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission, 1987: 43). Hence, sustainability is related to the long-term prospective of political economics; the normative approach is widely recognized. The stakeholder approach emerges as a reaction to the (too one-sided!) shareholder value paradigm; it is therefore based in the first place on the (systemic!) management theories. The fundamental tenet of the stakeholder concept is that enterprises should be thought of as groupings of stakeholders (‘those groups without whose support the organization would cease to exist’) (Freeman and Reed, 1983); the enterprises’ purpose should be to manage their interests and needs. This analytical concept requires normative approach. Business ethics is applied ethics in business and economics; it emerged as an academic discipline in 1970s. In the USA, business ethics is interpreted as individual ethics and ethics in enterprises; in Europe, it is rather related to ethics in enterprises and political economics. Within business ethics, both empirical and normative approaches are widely recognized (Donaldson and Dunfee, 1994). Hence, the sustainability concept finds its origins in political and economic thinking; business ethics and stakeholder theory are applied to business and management. The normative approach is widely recognized in business ethics; stakeholder theory contains the normative element rather implicitly.

In our view, business ethics as a normative approach builds the fundamentals of the CSR concept, by answering the question ‘why should businesses be responsible towards society?’ Stakeholder management as an instrumental approach is crucial for the practical implementation of CSR, by answering the question ‘how can business be responsible towards society?’ Hence, in our view, ‘CSR = business ethics + stakeholder approach’ and is implemented at the micro-level (enterprises); sustainability is implemented at the macro-level (political and macro-economic efforts). Therefore, in the comparative analysis, we oppose CSR to sustainability.

At the European political level, CSR was embraced in 2000 (EU, 2000): the European Council made ‘a special appeal to companies’ corporate sense of SR regarding best practices on lifelong learning, work organization, equal opportunities, social inclusion and sustainable development’. In 2001, the European Commission (EC) presented the Green Paper ‘Promoting a European framework for CSR’ (EU, 2001) aiming to launch a wide debate on how the EU could promote CSR defined as ‘a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment’. In 2002, a broader definition was introduced: ‘CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis’. The EU Multi-Stakeholder Forum on CSR was set up to promote transparency and convergence of CSR practices and instruments (EU, 2002). In 2005, the European Commission recognized that CSR ‘can play a key role in contributing to sustainable development while enhancing Europe’s innovative potential and competitiveness’ (EU, 2005). In 2006, the European Alliance for CSR was launched as ‘a political umbrella for new or existing CSR initiatives by large companies, small

---

1 Hans Carl von Carlowitz (1713), head of the Royal Mining Office in the Kingdom of Saxony, introduced the term ‘sustainability’ in order to meet the challenge of a predicted shortage of timber, the key resource of the time. He indicated the need to care for the renewal of forests that had been cleared and to balance renewal and cutting so that timber could be used forever, continuously and perpetually: ‘cut only as much wood as the forest can afford; as much wood, as can grow’. This is a requisitely holistic concept.
and medium enterprises and their stakeholders’ (EU, 2006). In 2007, the Commission presented a detailed study of the national CSR public policies (EU, 2007). In 2008, the European Competitiveness Report concluded that CSR can positively impact competitiveness\(^2\) (EU, 2008). In 2009, the president of the European Commission declared: ‘the crisis resulted, in part at least, from a failure by some businesses to understand their broader ethical responsibilities’ (Barroso, 2009). In 2011, the Commission presented ‘a renewed EU strategy 2011–2014 for CSR’ (EU, 2011), stating that ‘the economic crisis and its social consequences have to some extent damaged consumer confidence and levels of trust in business’, which calls for new efforts to promote CSR. This document introduced a new definition of CSR as ‘the responsibility of enterprises for their impacts on society’. Hence, though CSR in Europe is implicit by origin\(^3\) and is allocated in the economic and management theories, the political will became a main driver for CSR after 2000. Within this tendency, the normative thinking, although widely recognized in political theory, still lacks recognition in the academic disciplines of economics/management (Valeva, 2012). In order to support the market actors in understanding the CSR concept and implementing it into their practice, we compare the main CSR standards (CSR standards: Comparative Analysis section).

The United Nations Global Compact (UNGC) (launched: 1999) is based on the ‘Universal Declaration of Human Rights’, International Labour Organization’s ‘Fundamental Principles and Rights at Work’ and the ‘Earth Summit Agenda’. It postulates 10 fundamental principles concerning human rights, labour standards, protection of the environment and anti-corruption; they should be ‘embedded into the signatories’ strategy, operations and culture’.

The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (OECD ME) (adopted: 1976; several revisions) are part of the ‘OECD Declaration on International Investment and Multinational Enterprises’. They provide voluntary principles and standards for ‘responsible business conduct’, consistent with applicable laws in the areas: disclosure, employment and industrial relations, environment, bribery, consumer interests, science and technology, competition and taxation.

The OECD Principles of Corporate Governance (OECD CG) (launched: 1999; revision: 2004) are designated by the Financial Stability Forum as one of the 12 key standards for sound financial systems. They provide guidance for policymakers, regulators and market participants in improving the legal, institutional and regulatory framework that underpins good corporate governance. The principles cover corporate governance framework, shareholders’ rights and equitable treatment, role of stakeholders, disclosure and transparency and responsibilities of the board.

SA 8000 is based on conventions of the International Labour Organization, UN and national laws. It is an auditable social certification standard for decent workplaces, across all industrial sectors. It includes child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours and remuneration.

The Global Reporting Initiative (GRI) is a non-profit organization convened in 1997 by the Coalition for Environmentally Responsible Economies. In 1999, the UN Environment Program joined the initiative, and in 2000, the first sustainability reporting guidelines were published. In October 2006, GRI and the UNGC united in a strategic alliance aimed at providing the global private sector

---

2 Positive impact of CSR on enterprise’s competitiveness is related to the indicators: cost structure, human resources, customer perspective, innovation, risk and reputation management and financial performance.

3 In their comparison of CSR in Europe and the USA, Matten and Moon (2004) argue that national differences can be explained by historically grown institutional frameworks that shape ‘national business systems’. They find ‘explicit’ CSR typical for the USA, which consists of enterprises’ voluntary programmes and strategies that combine social and business values, and ‘implicit’ CSR which is typical for Europe and consists of values, norms and rules that result in requirements for enterprises to address stakeholder issues and define proper obligations of enterprise stakeholders/actors in collective rather than individual terms.
Context analysis: CSR standards can be differentiated in terms of national/international and political/non-political agreements. Except GSC and EFFAS KPIs, all standards are international initiatives. UNGC, OECD ME and OECD CG are international standards based on political will towards sustainability. SA 8000 and ISO 26000 are international norms for CSR; the former is audit based, and the latter serves for implementation of the management process within the organization. GRI and EFFAS KPIs are released by non-profit organizations to measure sustainability. GSC is a national initiative based on political will.

Corporate SR issues analysis: GRI, EFFAS KPIs, OECD ME, ISO 26000 and GSC can be regarded as comprehensive CSR standards because they envisage all important CSR issues. ISO 26000 and GSC do not include the enterprise’s economic performance; this does not affect the standard’s comprehensiveness because (1) the standard can be used by non-business organizations and (2) economic efficiency is crucial for each enterprise; hence, it is pursued with or without CSR-standard requirement. UNGC, OECD CG and SA 8000 do not address a very crucial CSR issue—the product responsibility, which is related to customers’ health and safety, marketing communications and so on. SA 8000 explicitly addresses human rights and labour conditions. OECD CG deals mainly with shareholder rights; it admits that the stakeholders’ rights should be respected but not beyond the law.

Stakeholder process analysis: GRI, ISO 26000, SA 8000, EFFAS KPIs and GSC require stakeholders to be embedded in the CSR approach and frame the entire strategic management process; therefore, related detailed documentation and report is required. UNGC, OECD ME and OECD CG do not require this; they only recommend the consideration of stakeholders.

Characteristics analysis: We differentiate between management system (an internally orientated tool box for running the business) and reporting tool (externally oriented reporting to support communication and business analysis). OECD ME, OECD CG, ISO 26000 and SA 8000 relate to the enterprise’s internal decision process; OECD ME and OECD CG are general guidelines for sustainability; SA8000 is an audit related solely to the labour conditions.
Table 2 Comparison of subjectively selected corporate social responsibility standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>Allocation</th>
<th>Context</th>
<th>HR</th>
<th>La</th>
<th>So</th>
<th>En</th>
<th>Ec</th>
<th>Pro</th>
<th>Stakeholder process</th>
<th>Characteristic</th>
<th>Measurement</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNGC</td>
<td>Human factor and sustainability</td>
<td>International political initiative</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>–</td>
<td>–</td>
<td>Reporting</td>
<td>Qualitative/quantitative (GRI)</td>
<td>All types</td>
<td></td>
</tr>
<tr>
<td>OECD</td>
<td>Sustainable economic development</td>
<td>International political initiative</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>–</td>
<td>Reporting</td>
<td>Qualitative</td>
<td>Multinational business enterprises</td>
<td></td>
</tr>
<tr>
<td>OECD</td>
<td>Sustainable economic development</td>
<td>International political initiative</td>
<td>–</td>
<td>X</td>
<td>–</td>
<td>–</td>
<td>X</td>
<td>–</td>
<td>Reporting</td>
<td>Qualitative</td>
<td>Publicly traded enterprises</td>
<td></td>
</tr>
<tr>
<td>CG</td>
<td>Human factor and CSR</td>
<td>International norm, audit</td>
<td>X</td>
<td>X</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>X</td>
<td>Management system audit</td>
<td>Qualitative/quantitative</td>
<td>Multinational business enterprises</td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td>Holistic sustainability: transparency and comparability</td>
<td>International norm, audit</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Management system audit</td>
<td>Qualitative/quantitative</td>
<td>All types</td>
<td></td>
</tr>
<tr>
<td>GRI</td>
<td>Holistic CSR: individuality and efficiency</td>
<td>International norm, recommendation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>–</td>
<td>–</td>
<td>X</td>
<td>Management system audit</td>
<td>Quantitative</td>
<td>All types</td>
<td></td>
</tr>
<tr>
<td>ISO 26000</td>
<td>Sustainable business: transparency and comparability</td>
<td>European non-profit initiative</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Reporting</td>
<td>Quantitative</td>
<td>Publicly traded enterprises</td>
<td></td>
</tr>
<tr>
<td>EFFAS</td>
<td>Sustainable social development</td>
<td>German political initiative</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>–</td>
<td>X</td>
<td>Reporting</td>
<td>Qualitative/quantitative (GRI, EFFAS KPIs)</td>
<td>Business enterprises</td>
<td></td>
</tr>
</tbody>
</table>

HR, human rights; La, labour practices; So, social performance; En, environmental performance; Ec, economic performance; Pro, product responsibility; UNGC, United Nations Global Compact; OECD ME, Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises; OECD CG, OECD Principles of Corporate Governance; GRI, Global Reporting Initiative; EFFAS KPIs, European Federation of Financial Analysts Societies key performance indicators; GSC, German Sustainability Code.
Measurement analysis: GRI and EFFAS KPIs require disclosure of clear quantitative data in the CSR reports; this results in comparability, reliability and clarity for the stakeholders. The reports of most standards contain only qualitative data and cover descriptive analysis of the enterprises' compliance with the standard. However, UNGC recommends its signatories to use the reporting guidelines of GRI; GSC recommends using the reporting guidelines of GRI or EFFAS KPIs.

Organization analysis: The majority of standards (ISO 26000, UNGC, GRI and GSC) tackle all types of organizations. OECD ME and SA 8000 cover multinational enterprises. OECD CG and EFFAS KPIs explicitly refer to publicly traded companies, whose separation of ownership and control requires specific governance mechanisms.

On the basis of this comparison, we derive three types of CSR standards and thus rejoin the sustainability–CSR debate by deriving a typology of CSR standards (Table 3).

**Table 3 Three types of corporate social responsibility standards**

<table>
<thead>
<tr>
<th>Standard type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability standards based on political will (UNGC, OECD ME, OECD CG and GSC)</td>
<td>This type of standards, established by a top-down approach, presents the political agreement about economic sustainability. They require qualitative general information; the stakeholder process is mentioned, but its embedment is not guaranteed. Therefore, the market participants could only use them as a general framework for CSR implementation. These standards aim at contributing to the economic well-being at the macro-level rather than to support the particular market actors within a given economy (micro-level).</td>
</tr>
<tr>
<td>CSR management standards based on professional judgement (SA 8000 and ISO 26000)</td>
<td>This type of standards, established by a bottom-up approach, presents the professional agreement about the importance of CSR. They are characterized by qualitative and quantitative detailed information (ISO 26000 uncovers also the individual organizational characteristics). The overall goal is to introduce CSR as a new paradigm in business thinking. From the perspective of the market actor, which decides to implement CSR in practice, these standards are of great practical use.</td>
</tr>
<tr>
<td>Sustainability/CSR reporting standards based on professional judgement (GRI and EFFAS KPIs)</td>
<td>These standards present the professional and the broad public agreement about the importance of clear and reliable reporting on CSR. They cover disclosure of detailed quantitative and qualitative information. From the perspective of the market actor, which decides to report on CSR, these standards are of great practical use. However, one must underline that the quality of the CSR report is closely related to the quality of the implementation of CSR within the particular organization.</td>
</tr>
</tbody>
</table>


**CONCLUSIONS**

One must take into consideration that governance and management innovation depends on subjective viewpoints of shareholders and top managers, above all, and their ability of adaptation toward requisite holism of approach for requisite wholeness of outcomes (Mulej and Kajzer, 1998). Great influence upon that comes from, among others, enterprises’ selection of the CSR standards analyzed here. In doing so, enterprises should take into account the characteristics of enterprise resource planning system applied (Sternad *et al.*, 2011). This article contributes both to the theoretical discussion on the concept of CSR and to its implementation by the enterprises. A
practice-oriented comparison of the CSR standards is conducted to support practitioners in implementing and reporting on CSR and sustainable business systemically. We can conclude that none of the existing CSR standards envisages the position between enterprises and customers/demand for CSR products and services. Therefore, this issue marks a direction for future research to make the approach more systemic in both theory and practice.

REFERENCES


