EVALUATING AND INTEGRATING CORPORATE SOCIAL RESPONSIBILITY STANDARDS: IMPLICATIONS FOR CSR CONCEPTS

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Abstract

Standards play a major role when concepts of corporate social responsiblity (CSR) ought to be implemented and corporate social performance (CSP) ought to be assessed. Ethical reasoning and stakeholders' expectations help to measure companies' intentions to implement CSR standards and to measure their efficiency. With different standards of CSR (company standards, industry standards, multi-stakehorder standards and independent standards) companies may implement we categorize and evaluate those standards and give advice which opportunities but also threats may arise for companies when implementing such codes within firm-specific CSR concepts. We suggest a combination of different standards and replenish them with firm-specific codes of conduct.

Keywords: Corporate Social Responsibility, CSR Standards, Codes Of Conduct, Ethics, Corporate Social Performance

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1 Introduction

Owing to the increasing globalization companies have obtained possibilities to exploit national laws. Since labor costs are significantly lower in developing countries, outsourcing became more attractive for multi-national players. However, by moving the production to these countries, they frequently seem to abuse workers' rights from the point of view which prevailing in their home-countries. This concern especially arises because less strict labor regulations were passed in these countries. Additionally, escalating environmental challenges, such as the destruction of the rain forest, the recent oil spill in the Gulf of Mexico and the climate change were, at least partly, influenced by multinational corporations' misbehavior. By behaving and acting immorally, unethically and irresponsible they have squandered society's trust.

What is more, costumers' awareness for social, environmental and economic responsibility has risen significantly – they have ushered an era of customer awareness. Media's attention has grown significantly so that incorrect behaviour is published on a constant basis. Consequently, company's reputation as well as its share price might suffer significantly from misbehaving. Corporations started accepting their responsibilities and non-governmental organisations became more active in collaborating with these enterprises in order to convince them to conduct socially and economically responsible business. Obviously, simply stating one's intentions is not enough – accountability has to be guaranteed. Therefore, companies are requested to report their corporate social responsibility (CSR) activities next to their financial statements. Standards, which can be seen as ethical and moral guidelines for socially responsible behaviour and actions, demonstrate a company's awareness of their impact on the society and the environment. Additionally, these corporate standards prove their willingness to accept their responsibilities towards their stakeholders. Very diverse concepts of CSR standards are applicable for enterprises. These standards derive from various initiatives, such as company-wide, governmental or non-governmental approaches. In the light of these standards we discuss the following research questions: 1) Which problems and challenges arise

when designing, implementing and applying CSR standards? and 2) Should companies either design firm-specific CSR standards/codes of conduct or do industry standards, multi-stakehorder standards and independent standards better prepare a company to meet stakeholders CSR expectations?

2 Theoretical concepts and principles

2.1 Corporate social responsibility

Despite the remarkable interest in the CSR subject, e.g. by a significantly rising claim for equal opportunities, human rights, safety at work as well as by a growing attention to environmental problems (Robinson, 2008), there is no consensus in the business and academic world about a single definition for CSR (Dahlsrud, 2006). Hence, CSR is more a conceptual idea, which refers to the general belief that companies do have responsibilities towards society that go far beyond their obligations towards their shareholders and investors and how companies as institutions manage or should manage responsiblity towards society (Scherer & Butz, 2010). In other words, companies should be responsible for the public well-being (Blowfield & Murray, 2008). It is arguable what CSR can achieve. Indeed, companies are primarily obliged to make and increase profits; shareholders and investors do not require them to be a good corporate citizen. Owing to public awareness about CSR activities, companies feel encouraged to behave socially responsible. Emergent mass-media interest, noticeably escalating activities of consumer groups, easily accessible information through corporate and non-corporate websites, documentaries, and other sources of information about socially irresponsible behaviour, which are continuously disclosed, have resulted in increasing levels of stakeholders' sensitiveness towards social and environmental matters. As a result, companies' acceptance of CSR concepts is continuously increasing (Wagner et al., 2009).

2.2 CSR standards and codes of conduct

Standards offer an opportunity to access and qualify performance. If implemented correctly, standards may lead organisations to desired CSR related outcomes. Thus, standards are also a reaction to prevailing internal and external forces which demand ethical, moral and legal behaviour (Raiborn & Payne, 1990). Standards are designed in order to provide a framework which is intended to assist companies in developing their own objectives and reporting approaches which are relevant for the successful implementation and supervision of CSR activities (Galbreath, 2006). Most standards are designed on a bilateral or multilateral level (Leipziger, 2007) – they are characteristically employed within a group of organisations or even across an entire industry

(Leipziger, 2003). Two intentions for developing standards should be distinguished: the first kind of standard provides guidelines and contains limits to firms' behaviour. It is most commonly created by governmental, non-governmental as well as by non-profit organisations and it operates on a macro level. Contrastingly, the second type, which is primarily developed by a group of companies or within industries on a meso level (Kolk et al., 1999), is issued to voluntarily implement self-regulating principles. Accountability is highly important. As a result standards should always contain accountability rules. Finally, it is necessary quoting that a consensus amongst various stakeholders is necessary when implementing these standards. The phrase code can be used synonymously. Codes of conduct are specific types of standards – they exclusively operate on a unilateral level (Leipziger, 2007). They can be defined as guiding principles, policies and suggestions that are issued in order to influence a specific company's behaviour resulting in improved corporate social performance (CSP). These specific standards reflect the micro level of an organisation (Kolk et al, 1999).

2.3 Ethical reasoning to measure companies' intentions

Ethical reasoning can be split into four categories: consequentialism, deontology, ethics of virtue, and contractualism. The phrase consequentialism already implies that it focuses on the consequences of actions and behaviour (Getz, 1999). In comparison, the deontological approach discusses principles that should be followed for its own sake. Ethics and morality are regarded as human duties. Furthermore, deontological ethics contain universal norms which provide members of a society with information about what is considered right and wrong (van Staveren, 2007). The third concept, ethics of virtue, is concerned about being a good person instead of just behaving and acting well. Each individual should become accustomed with virtue (Buchholtz & Carroll, 2008). To phrase it differently, virtue ethics utilizes the concept of a person who internalized ethically admirable and highly regarded qualities (Merritt, 2000). Contractualism provides a concept that contains unwritten agreements. Rules should always be designed in a way that they are acceptable for all affected persons. If these principles are employed each decision-maker will consider the other persons' perceptions, feelings and attitudes immediately and voluntarily (Scanlon, 1998). Nevertheless, it is not just companies' intentions leading to CSR standards but also stakeholders' expectations which make business responsibility a two-way dialogue (Goodstein & Wicks, 2007).

2.4 Using stakeholders' expectations for measuring the efficiency of CSR standards
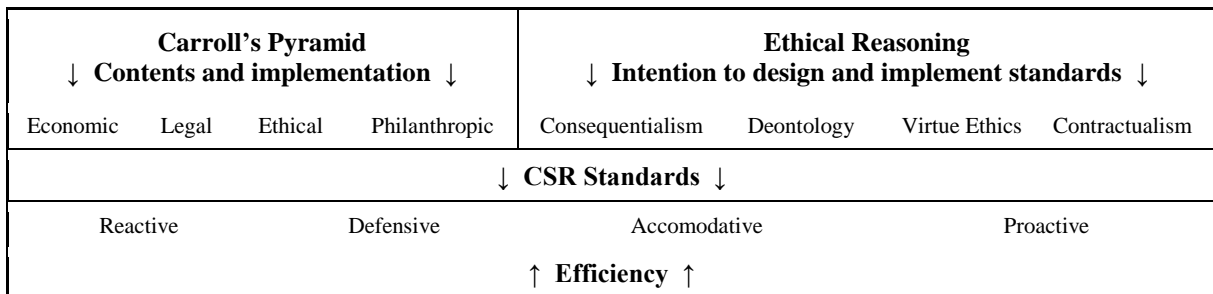
Stakeholders can influence the company as well as be influenced by the company (Clarkson, 1995). This influence goes beyond legality – morality and ethics play also a major role (Carroll, 1991). Internal and external stakeholders have to be differentiated: employees are typical internal stakeholders whereas investors, suppliers, customers, the environment, and the local community are examples for external stakeholders (Commission of the European Communities, 2001). Ideally a company does not only pay attention to problems that they might have caused but also to problems that might arise within the society (Castelo Branco & Lima Rodrigues, 2007). Based on a company's behaviour towards its stakeholders, four categories of CSP can be defined: reactive, defensive, accommodative, and proactive. While reactive companies reject their duties and do less than expected by their stakeholders, companies in a defensive stage confess their responsibility but are still trying to fight against their duties and doing the least demanded. Accommodative companies have totally accepted their responsibilities and fully behave in the way it is expected by their stakeholders.

Finally, companies, which are proactive in terms of their CSR activities, foresee their duties and behave and act better than expected by their stakeholders (Clarkson, 1995).

2.5 The CSR pyramid and further criteria for evaluating CSR standards

CSR can be split into four tasks: economic, legal, ethical and philanthropic responsibilities. Initially it is significant that companies are acting economically appropriately – they need to make profits, provide goods and services, and thereby, serve their clients and the society in general. Additionally, companies are required to obey the law as well as the social contract with society (Carroll, 1991). These first two layers of the pyramid are required when doing business (Schwartz & Carroll, 2003). In contrast, companies are expected to obey the third layer: the ethical perspective demands that a company incorporates good behaviour in their daily patterns, which is not required by law. The last layer, philanthropic responsibilities, is about being a good corporate citizen. In contrast to the ethical dimension the philanthropic aspect is only desired but not expected by society (Carroll, 1991) (Figure 1)

Figure 1. Evaluating CSR standards: Intentions, contents and efficiency

Carroll's Pyramid ↓ Contents and implementation ↓				Ethical Reasoning ↓ Intention to design and implement standards ↓			
Economic	Legal	Ethical	Philanthropic	Consequentialism	Deontology	Virtue Ethics	Contractualism
↓ CSR Standards ↓							
Reactive		Defensive		Accomodative		Proactive	
↑ Efficiency ↑							

Evaluating CSR standards and its achievements, it is necessary to employ further performance criteria. The four principles of ethical reasoning as well as the four principles of the CSR pyramid will be used when evaluating CSR standards and their achievements. While the principles of ethical reasoning are used in order to define the intentions behind designing and implementing standards, the CSR pyramid is applied when analyzing the contents of the standards. Additionally, the four types of companies' potential reactions towards its stakeholders will be taken into consideration when discussing the possible outcomes of certain standards or codes.

3 Discussion and evaluation of standards

3.1 Requirements for standards

The vital importance of CSR tools in contemporary corporate life is indisputable. Despite the impressive variety of standards they habitually share a common background: companies and organisations, which have introduced standards, vow regarding ethical values, obeying the law, protecting the environment, respecting human rights, contributing to the society and conducting business honestly (Kolk et al., 1999; Raiborn & Paine, 1990). There are eight basic ethical principles/requirements for CSR standards: property, reliability, fiduciary, responsiveness, dignity, transparency, fairness and citizenship (Paine et al., 2005) (Figure 2).

Figure 2. Requirements for standards

↓ **Ethical Responsibility** ↓			↓ **Philanthropic Responsibility** ↓	
Fairness	Transparency	Dignity	Citizenship	
CSR Standards				
Fiduciary	Property		Reliability	Responsiveness
↑ **Economic and Legal Responsibility** ↑				

Standards do have to contain information about how a company or an industry saves stakeholders' rights and property. In the information age the protection of intangible property is shown in a different light so this concept has to be well regarded. The reliability principle raises the issue of meeting commitments. Keeping promises and commitments has to be ensured by standards. Without fundamental rules about keeping one's word and without honouring agreements, conducting business seriously is impossible. The responsiveness principle obliges companies to be alert, to take complains seriously, and to be engaged in negotiations if conflicts arise. Each company is a fiduciary to society in general, its customers, owners and investors. Diligence, faithfulness and honesty are highly appreciated concepts in this context and ought to be contained in standards and codes (Paine et al., 2005).

The dignity principle is an extension of the fiduciary principle. However, the main emphasis of the dignity principle shifts onto respect and protection of human rights. This principle is integrated in many standards that aim to achieve a safe working environment, to protect employees' health and to prohibit any form of harassment. Nowadays, transparency is one of the most important subjects concerning CSR. It refers to being trustful and open in conducting business, avoiding deceptions, dishonesty, and other unethical behaviour which might occur in companies' business routines. Being transparent helps companies to prove their commitment to CSR practices. According to the fairness principle all stakeholders must be treated fairly, in a non-discriminating way. Moreover, they should be provided with equal opportunities. Companies can also be seen as parts of the society if they respect rules and regulations and make major contributions to society, e.g. by charity. Furthermore, being a good corporate citizen means protecting the natural environment and promoting and enhancing sustainable development (Paine et al., 2005). What particular principles are to be applied in a firm-specific code or standard depends on a company's specific situation (Raiborn & Payne, 1990). Moreover, successful implementation of codes of conduct and CSR standards requires companies to incorporate a whole new framework of activities, such as trainings, reporting initiatives, monitoring and

new approaches for purchasing and logistics (Mamic, 2004).

3.2 Company standards and self-regulation

Companies that create their own company-wide codes of conduct prove their responsibility to their stakeholders. An increasing amount of companies are proving their willingness to behave ethically correctly apart from only behaving purely economically (Sobczak, 2003). During the implementation process of standards corporations are either influenced by the external environment or by a growing awareness for CSR within the organisation (Raiborn & Payne, 1990). Typically companies either fully develop their own company standards or they adopt the industry leader's code of conduct. Codes of conduct can be seen as individual guidelines which assist corporations identifying morally and ethically correct responses. These guidelines are evaluated and implemented by the company itself. What is more, all employees need to be aware of obliging these company standards. Thus, it is a key prerequisite that managers and employees agree on these normative values (Getz, 1990). Based on this background, self-regulation can arise because codes of conduct are developed voluntarily and company standards go beyond the prevailing regulations (Hemphill, 1992). Self-regulation can be seen as supplements or as complements for governmental control (Gupta & Lad, 1983). These regulating mechanisms demonstrate corporations' willingness to manage CSR concerns by their own strength (Sobczak, 2003). Companies are free to choose the subjects which should be addressed so that specific challenges within a company's environment can be addressed. Self-regulation is finally not only acceptable but also economically beneficial and ethically obligatory as it helps reducing misconduct (Schwartz, 2001).

3.3 Industry standards: A second type of self-regulating behaviour

While company standards are specifically designed for a single organisation, industry standards are a result of an ongoing discussion about ethically correct behaviour within an entire industry. Applying various standards, an industry gains the opportunity to

regulate itself. This industry-wide self-regulation can be regarded as a regulatory procedure, developed and enforced by an entire branch, which aims to regulate participating companies' behaviour and actions (Gupta & Lad, 1983). The above discussed principles of self-regulation are also to be considered under industry-wide self-regulation. However, a consensus is especially necessary when implementing industry CSR standards (Khurana & Nohria, 2008). If they are applied within an entire industry the contributing enterprises have the opportunity to react with sanctions on non-compliance of other members (Hemphill, 1992). Since local governments are often unable to guarantee environmentally and socially acceptable production circumstances, multi-national corporations are heavily reminded of their duties. Nonetheless, by implementing standards, also other companies within an industry might be influenced to develop their own codes (Kolk, 2005).

3.4 Multi-stakeholder standards or inter-firm regulation

Multi-stakeholder standards can be considered as an intermediate between industry and independent standards. These multi-stakeholder standards are created based on various stakeholders' agreement, such as non-governmental organisations, businesses and trade unions (Blowfield & Murray, 2008). Organisations and corporations, which are sensitive towards ethically correct behaviour, have created various associations that are providing companies with consultation for improving their CSR activities. This new global standard setting initiative helps creating a dialogue and brings forward an agreement across companies, industries and country borders. Inter-firm cooperation facilitates various companies or industries to find a consensus as external stakeholders, such as non-governmental organisations, serve as a mediator. Collaboration between non-governmental organisations and enterprises or industries is crucial so that coregulation can arise. Thus, multi-stakeholder control can be employed for supervising CSR activities (Albareda, 2008). Multi-stakeholder standards have the tendency to cover a much wider range of social problems than industry or company standards (Fransen & Kolk, 2007). The Marine Stewardship Council (Marine Stewardship Council, 2010) an example for multi-stakeholder standards, is the result of collaborating efforts between the World Wildlife Fund for Nature and Unilever. This approach aims to find a balance between market incentives and sustainable fishing. Although both parties had different motivations to create such an agreement, both were highly engaged in achieving a new successful standard (Constance & Bonanno, 2000).

3.5 Independent standards and social accounting

Independent standards are typically designed and developed by non-governmental organisations and employed within various companies or even within an entire industry (Blowfield & Murray, 2008). While multi-stakeholder standards are designed by a company or industry with the support of non-governmental organisations independent standards are designed exclusively by third-parties which are aiming to develop internationally acceptable guidelines and principles for disclosing a company's economic, social and environmental behaviour (Bhimani & Soonawalla, 2005). Moreover, they can be seen as an opportunity to instrumentally react on stakeholders' interests (Göbbels & Jonker, 2003). Owing to the external influence and the consequent regular monitoring processes, independent standards have a higher degree of effectiveness. If enterprises are heedless of these standards, independent parties may sanction and punish them (Kolk et al., 1999).

Independent standards and accountability practices are developed by various organisations, such as the International Organisation for Standardisation. Standards issued by those organisations are regarded as sound and trustworthy (Karapetrovic & Jonker, 2003). Social accounting, which is used to verify standards and CSR activities, is consequently directly linked to the implementation of independent standards. Various opportunities for examining a company's performance are existent: processes are regarded as well as companies' performance (Courville, 2003). By developing and applying standards, social accounting ought to be promoted to the same level as financial reporting (Bhimani & Soonawalla, 2005). One example for independent standards is the Social Accountability 8000 (SA 8000). The SA 8000 can be considered as a first benchmarking model that was applied internationally to measure workplace conditions and was created by the non-governmental organisation Council on Economic Priorities Accreditation Agency. This standard aims to provide an accounting framework for analyzing a company's socially responsible behaviour in conducting business. Moreover, it is supposed to serve as a tool for third party auditing and as a certification method which shall warrant that companies are acting in accordance with the issued standards (Gilbert & Rasche, 2007). This framework is supposed to be applicable for all types of companies, including profit as well as non-profit organisations. Based on the SA 8000, workplace conditions have to be consistent with several guiding principles if a company wants to achieve this accreditation; amongst others child labour is prohibited, employers have care for their employees' health and a minimum wage must be paid. These conditions have to be kept by the audited company as well as by its suppliers (Rohitratana,

2002). A so-called Social Management System has to be realized and executed as soon as an organisation is applying for the SA 8000 accreditation. This system is considered to certify the conformity with the ongoing enhancement of the discussed guiding principles (transparency and reliability) (Göbbels & Jonker, 2003). Further examples are the UN Global Compact or the contemporary debate on ISO 26000 or ISO 14002 (Aravind & Christmann, 2011; Delmas & Montes-Sancho, 2011)

Summing up, the above discussed types of standards and the examples show that various standards need to be employed in various situations. Since the discussed types of standards might overlap, a company's standards might not clearly be put into one of these categories. Standards shall always reflect a company's internal and external circumstances, additionally all stakeholders' opinions are to taken into consideration. Moreover, stakeholders should gain the opportunity to influence the process of designing standards as well as the contents of standards. While designing standards it relevant keeping various principles into consideration. However, codes or standards do not necessarily have to contain all principles.

4 Integrating CSR standards within firm-specific CSR concepts: General implications

4.1 Instructions for internal stakeholders

Standards may serve as recommendations and/or instructions for various members of an organisation. Codes and standards put pressure on managers so they are not only obliged to accomplish their supervising tasks but also to provide advice and guidance for middle management, and additionally are also required to offer compulsory resources for ethically and socially correct behaviour (Castka et al., 2004). Moreover, codes facilitate a sense of community and a mutual obligation towards a company because codes serve as an implicit contract between an organisation and its stakeholders. Supplementary normative and lawful regulations are not necessary in an optimal situation (Khurana & Nohria, 2008; Albareda, 2008). From a practical point of view, these standards are guiding employees as soon as they may be used. Employees are supported in decision-making-processes since codes of conduct provide additional recommendations, rules and procedures apart from job-descriptions and various types of law. This additional information might lead to a reduced hierarchy and less supervision (Paine et al., 2005). Furthermore, organisations and corporations gain the opportunity to use standards as a source of inspiration as well as a benchmarking-model (Castka & Balzarova, 2007). Having implemented CSR standards, organisations might be less frightened to incorporate effective CSR

principles into their daily business patterns (Castka et al., 2004). In addition, the likelihood of misconduct is reduced significantly. This decreased probability is based on the structure of codes and standards: CSR standards do not only refer to the current efficiency but do also reflect requirements for ethical behaviour in general and for current and future action (Gilbert & Rasche, 2007).

4.2 Accountable & transparent standards and their influence on external stakeholders

CSR reporting as well as standard accountancy should contain a dual role: on the one hand they are supposed to contain information for external stakeholders; on the other hand instructions for internal stakeholders have to be considered (MacLean & Rebernak, 2007). Besides having a constructive impact on an organisation's internal environment, CSR standards should also affect external stakeholders positively. If the applied standards are accountable, firms have the opportunity to prove that they are good corporate citizens and that they are behaving socially and ecologically responsible (Gilbert & Rasche, 2007). Moreover, being accounted and supervised, companies are able to prove that their CSR activities are not only a pure marketing and image campaign. Thus, accountability is considered as one major requirement for improving CSR. Consequently, standards are highly important and receive value through transparency as well as through institutionalized responsible behaviour (Morimoto et al., 2005). Transparency facilitates companies to prove their recommendable intentions and their praiseworthy behaviour. Customers, who appreciate socially, morally and ethically correct behaviour, will be conscious of a firm's performance and reward a company for its effort. What is more, company receives attention through a successful certification (Boiral, 2003b). Without transparency a business entity cannot differentiate itself from misbehaving companies (Dubbink et al., 2008). Besides costumers further external stakeholders are informed about a company's policies through published standards and transparency. If standards and codes are designed for the entire value chain, suppliers will also obey to these agreements. Even competitors might be affected by other companies' implementation and disclosure of standards because their stakeholders might finally force them to adopt the same principles. Thereby, a greater good is achieved (Paine et al., 2005). Support and audit of external, third-party organisations help companies to underlie their credibility. International independent standards, such as the SA 8000, enhance CSR since the auditing company requires the audited firm to implement certain management-processes so that obeying the standards can be guaranteed (Boiral, 2003a; Christmann & Taylor, 2006).

In addition, it should be mentioned that the entire accountability process requires a continuous and on-going discussion amongst various affected stakeholders. This debate should be designed critically and address questions of goodness (Gilbert & Rasche, 2007). Stakeholder democracy may arise through transparency and social reporting, which might become the most relevant parts of successful stakeholder engagement and commitment (Hess, 2007). Thus, the above mentioned criteria of ethical reasoning are fulfilled. Standards might be an implicit or explicit contract amongst stakeholders. Every stakeholder's point of view is to be considered under contractualism ethics so that anybody can refuse the suggested actions. Accordingly, consequences for all affected parties are to be reflected in this discussion process. Moreover, deontological ethics are applied: the rightness and wrongness of behaviour and actions are to be examined. Finally, all participants in the discussion gain the opportunity to actually become a better person instead of only behaving in a better way, as discussed in the concept of virtue ethics. From a moral and ethical point of view, providing others with information is linked to treating them respectfully. Furthermore, transparency facilitates companies to improve their reflection on their sincerity and promise towards CSR activities. By disclosing one's standards organisations become more open to criticism by their stakeholders who influence the company to act even more morally and ethically correctly (Dubbink et al., 2008).

4.3 Motivation for self-regulating behaviour

Self-regulation exists when organisations or industries create and control their own codes and standards and, thereby, extend the contemporary law (Hemphill, 1992). The need for self-regulation is continuously growing since globalisation is intensifying. As a result of globalisation, large multinational organisations gain the opportunity to exploit differences in national laws, for instance by moving their production to another country which had passed less strict labour-regulations. Therefore, society demands that large multinational corporations should devote time to self-regulation (Christmann & Taylor, 2006). Applying standards, employees are supplied with guidelines how self-regulation should be conducted and executed. Furthermore, standards contain instructions which state introduced that policies are to be followed in all occasions (Christmann, 2004). By adopting self-regulating standards and acting in accordance with these standards, companies are prohibited from exploiting national differences in laws or from abusing other niches. Thereby, the first three layers of the CSP are fulfilled since companies pay attention to conduct economically valuable business. Moreover, legal prerequisites are obeyed and even extended so that

ethical and moral behaviour may arise. Furthermore, self-regulating standards and codes can influence existing rules and regulations so that standards, which are stricter and in that way more ethical and more moral, can finally be incorporated in the national or regional law (Hemphill, 1992). Consequently, companies may have a significant impact on governments and society. If this can actually be achieved, a company can certainly be seen as a good corporate citizen and reach the philanthropic step of the CSR pyramid. By accepting this duty, companies may contribute to a greater good not only in their own room for manoeuvre but also within the entire society.

4.4 Design and implementation of codes and standards: a major threat

Many problems and threats arise from the design and the implementation of CSR codes and standards. Frequently, codes and standards are too exaggerated: they offer more than the issuing company can actually implement and achieve. Others are defined too broadly – in the way they are designed they leave to much room for interpretation (Sethi, 2002). Research has shown that employees are aware of issued codes; however, codes did not have an impact on their behaviour and actions. As a reason for this employees stated that they already knew what was right and wrong or that a code was not much more than common sense (Schwartz, 2001). As mentioned before, employees' commitment and consensus is required for supporting standards and codes of conduct; especially managerial commitment is essential if standards shall be implemented effectively (Khurana & Nohria, 2008). Without appropriate communication, employees might gain the impression that some misleading actions and problematic behaviour might have occurred within the company, and therefore, they might become suspicious (Raiborn & Payne, 1990). Further problems arise if companies have to admit their past misbehaviour, which they indeed have committed (Sethi, 2002). Consequently, employees might question their responsibility to obey to these codes and standards, and even worse they might become resistant to these changes as well as start battling against the implemented codes. Correspondingly, some corporate cultures might already encourage employees to behave and act ethically and morally correctly without having explicit codes and standards. It might be more appropriate for these companies to stick to the implicit standards (Raiborn & Payne, 1990). Most importantly, it is necessary to understand that various companies need various types of CSR standards and codes – adopting another company's standards for one's own organisation will most likely not be successful (Leipziger, 2003). As a result, none of the ethical reasoning principles is applicable in such a situation. Moreover, the actions which arise due to

such copied standards will most likely be only reactive.

Without managerial commitment and without an appropriate design and implementation of CSR standards, the entire approach can easily become bureaucratic. Research has shown that certified companies have been disappointed by the amount of paperwork, working hours and costs compared to recognition which they have gained afterwards (Castka & Balzarova, 2007; van der Wiele & Brown, 1997). Particularly for small companies this amount of work is not acceptable; but on the other hand not being certified often means not to be able to sell products (Kolk, 2005). Especially the impression of bureaucracy is undesirable for all affected parties because CSR should be able to respond quickly and efficiently to a changing environment. Many companies might be cautious adapting their standards with regard to the amount of work and to the money they have to invest. Thus, it is necessary to pay attention to a company's internal and external environment when standards are designed.

4.5 Reluctant behaviour against developing own codes of conduct

Industry (minimum) standards can easily serve as an opportunity for corporations to content themeselves with them instead of developing own codes of conduct which normally have a greater sphere of activity. In an optimal situation, industry standards should be actualised, improved, and specified on a constant basis by all organisations participating in the discussion about a certain industry standard. What works well concerning companies' competitive position is, however, not applicable for companies' CSP. Companies frequently do not see an advantage in being first in developing superior standards and codes compared to the industry average. Nonetheless, individual codes and standards have a significant advantage over industry-wide standards since they are specifically designed for companies' unique situation. This refers to the contents as well as to the implementation of company standards. Corporations gain the opportunity to increase consumers' loyalty and society's respect even more than they would by only implementing industry standards. Philanthropy may be reached and the organisation might be regarded as good corporate citizen. Moreover, the company may not lose reputation due to other members' misconduct. Additional problems arise because various companies have to find a consensus concerning industry-wide standards. As a result, the least willing contributor to industry-wide standards receives an important role in the discussion about creating standards because the entire group has to adapt to this company in order to reach at least any common goal (Sethi, 2002). Such standards will most likely not reach the level of philanthropy; moreover,

these standards are most likely only reactive or defensive.

4.6 Gap between evaluating standards and acting in accordance with them

Standards and codes discuss how companies ought behave and act. However, corporations frequently stop after creating these standards and never really employ them or measure their outcomes (CSP). Those companies use reports on CSR simply as a public relation instrument. Thereby, CSR standards become a part of companies' green-washing strategy. Regularly, their intentions of achieving the status of good corporate citizens are discussed without providing data that prove that they are actually have become good corporate citizens (Hess & Dunfee, 2007). Neither the design and implementation nor the content can be seen as ethically and morally correct. It has to be enquired whether standards are only symbolic or actually substantive. While organisations that have employed standards symbolically do not meet the daily claims for and the prerequisites of the certified standards' practices, companies which have employed standards substantively always behave and act in accordance with the procedures that were set in advance whilst standards were developed (Christmann & Taylor, 2006). Initially, it is necessary to mention that CSR is difficult to measure (Dubbink et al. 2008; Morimoto et al., 2005). Therefore, the accountability of standards and codes is likewise hard to determine especially if the execution and not only the design of standards are evaluated. Generally, self-regulation cannot be seen as the one optimal solution. As accountability cannot be guaranteed, problems may arise. Company standards are designed so that a company is able to regulate and audit itself. However, if corporations neglect these duties, the intent of self-regulation is not fulfilled. Furthermore, it is difficult verifying the enhancements which arose through self-regulation (O'Rouke, 2003). Moreover, it is doubtful whether consensus is actually achieved between all participating companies in a self-regulating industry or whether only the major players in an industry dictate the conditions and contents of self-regulating behaviour (Garvin, 1983).

5 Conclusions

Standards and codes may derive from diverse initiatives and serve various purposes. Since specific situations require different standards, there is not one optimal and ideal framework. Rather, companies even have to incorporate different standards and codes in order to cover several external and internal stakeholders' needs. In an ideal situation, a company should move to being philanthropic and being proactive in its behaviour and actions. Codes of conduct are the most promising standard from an ethical point of view: they can be regarded as the

most proactive of all standards. Since codes of conduct are specifically designed for a company's environment, they might reach a greater sphere of activity than other codes. However, major obstacle for codes of conduct is the lack of transparency and accountability which are two major concepts for guaranteeing successfully implemented standards. The accountability of codes of conduct has to be questioned, too, because its direct impact on societies' wellbeing is hard to determine. On the one hand, several companies design standards but never apply them; on the other hand codes of conduct frequently offer more that company can achieve. As a result, accountability is even more difficult to achieve. Additionally, companies have to develop their own accountability rules under self-regulating mechanisms which implies that each company has its own procedures and regulations which hinder comparisons with other corporations (Uzumeri, 1997).

Contrastingly, standards which were developed partly or exclusively by non-governmental organisations are externally accountable to a higher extent. Enterprises need this consultation when they are applying standards or codes to make promises on CSR binding and specific. Additionally, stakeholders receive valid and reliable information about a company's behaviour and actions. Nevertheless, from an ethical point of view some drawbacks have to be concluded: CSR standards do not take a company's specific environment into consideration. What is more, companies might lose their sense of obligation for developing their own standards which means being proactive and reach the philanthropic step of the CSR pyramid. Consequently, it is necessary to implement a combination of different codes and standards and replenish them with firm-specific codes of conduct as supplement to independent and multi-stakeholder standards.

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