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Golden Research Thoughts

International Recognition Multidisciplinary Research Journal

ISSN: 2231-5063

Impact Factor : 3.4052(UJF)

Volume - 5 | Issue - 9 | March - 2016



ISO 26000 AND INDIAN COMPANIES



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ABSTRACT:

ISO (International Organization for Standardization) has always intended to bring quality in products and services by establishing various standards but recently it has broadened its scope and now approaching towards sustainable development. ISO 26000 is one of the steps towards it by bringing social responsibility to the mainstream. This paper attempts to highlight the main motive behind the formation of ISO 26000 and to what extent Indian companies are receptive in adopting the standard. This paper is based on secondary data mainly including the information from official websites. It is concluded from available information that ISO 26000 provides guidance for all the organizations irrespective of the fact that they belong to the public or private sector, small or large in size, its locations etc. Financial performance is no longer a whole sole criterion to measure the overall performance and continuous effective operation of an organization in future. Now it is time to adopt the approach of sustainable development. Although most of the listed firms are complying and

contributing their efforts towards sustainable development but majority of the firms in India are still engaged only in profit making. Sustainable development is still a new issue for most of the companies around the world and companies in India are not an exception. Now there is need to inculcate socially responsible behavior in every aspect of organization to check its overall performance and ISO 26000 is one of the means.

KEYWORDS: ISO 26000, social responsibility, sustainable development, Indian companies.

INTRODUCTION:

ISO is an international standard body that sets standards which are adopted by the organizations and certify organizations that qualify its criteria which ultimately generates trust and add value to the organizations. Following ISO 26000 guidelines help the organizations to work in an ethical way and provide assurance that their actions are not detrimental for the health and welfare of the society. The purpose of any organization is not only profit making or shareholder's wealth maximization in long run but also to work in the best interest of the society and promotes sustainable development. Any organization doesn't operate in isolation. It interacts with the society and environment and affect it directly or indirectly. ISO 26000 helps in inculcating and implementing socially responsible behavior in actual. It is a means to fulfil the need of operating in a socially responsible behavior and availing its benefits in long term which ultimately contributes to sustainable development. It should not be confused as another management system standard. It is not a standard against which an organization claim itself to be certified, it is intended for the guidance purpose only. No one can offer to certify or claim to have certification from ISO 26000, in such case it would be treated as misrepresentation of its intent and purpose. All around the world the Social responsibility issue is taken very seriously because it is considered as a stepping stone towards sustainable development. Adopting ISO 26000 will help the Indian companies in optimal utilization of all the resources and will also ensure that the management behavior and its actions are directed towards social responsibility. The objective of social responsibility is to contribute to sustainable development.

OBJECTIVES

- 1.To highlight the main motive behind the formation of ISO 26000
- 2.To find at what extent Indian companies are receptive in adopting ISO 26000.

RESEARCH METHODOLOGY

This paper adopted a qualitative research approach where data was gathered through secondary sources like websites, articles, reports etc.

ISO 26000 GENESIS

ISO 26000 was published in 2010 as a guidance for all types of organizations to act in the socially responsible manner. It was published after 5 years of negotiations between many different stakeholders which involved representatives from government, NGOs, industry, consumer groups and labour organizations across the world. This indicates that ISO 26000 development represents an international consensus.

SEVEN CORE SUBJECTS ADDRESSED BY ISO 26000

ISO 26000 is aimed at all types of organizations regardless of their activity, types, size, sectors

(i.e. SMEs or MNEs public or private) or location. There are 7 clauses in ISO 26000, in which Clause 6 explains the core subjects and issues that ISO 26000 deals with. All subjects follow the holistic approach and are interdependent on each other.

S.N.	Core Subject	Related Issues
1.	Organizational Governance	
2.	Human Rights	Due diligence, Human rights risk situations, Avoidance of complicity, Resolving grievances, Discrimination and vulnerable groups, Civil and political rights, Economic, social and cultural rights, Fundamental principles and rights at work.
3.	Labour Practices	Employment and employment relationships, Conditions of work and social protection, Social dialogue, Health and safety at work, Human development and training in the workplace.
4.	The Environment	Prevention of pollution, Sustainable resource use, Climate change mitigation and adaptation, Protection of the environment, biodiversity and Restoration of natural habitats.
5.	Fair Operating Practices	Anti-corruption, Responsible political involvement, Fair competition, Promoting social responsibility in the value chain, Respect for property rights.
6.	Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices, Protecting consumers' health and safety, Sustainable consumption, Consumer service, support, and complaint and dispute resolution, Consumer data protection and privacy, Access to essential services, Education and awareness.
7.	Community Involvement and Development	Community involvement, Education and culture, Employment creation and skills development, Technology development and access, Wealth and income creation, Health, Social investment.

ISO 26000 AND INDIAN COMPANIES

Although only few companies have directly declared that they are forwarding to follow ISO 26000 as standard for their projects and functioning like ITC Ltd and TATA group. In its Sustainability Report of 2012, ITC Ltd. mentioned that it has established CII-ITC Centre of Excellence for Sustainable Development which will undertake projects following the guidelines of ISO 26000. Tata group is also committed to augment the effectiveness of community development practices by pursuing ISO 26000 model. Bharti Airtel has widened its efforts towards sustainability by including social inclusion. Other companies like Hindustan Unilever Ltd., Reliance Industries Ltd., Maruti Suzuki Ltd., Infosys Ltd., Wipro Ltd etc. are also making commendable efforts towards sustainability. All 30 S & P BSE SENSEX companies have shown their concern pertinent to sustainability. They have adopted sustainability and taking it seriously. All official websites of the companies are showing sustainability tab in which they have described initiatives taken by them. Some of the listed companies have formed sustainable development committee along with the CSR committee.

Corporate sustainability i.e. corporate socially responsible behaviour provides benefits to the companies in many ways, like-

- It provides competitive advantage to companies.
- It builds reputation.
- It helps in attraction and retention of workers, customers, clients and users.
- It helps in optimal utilization of resources in such a way that it will always be sustainable for future use.
- It helps not only in enhancing the employee morale, commitment and productivity but also influence the perception of investors, owners, sponsors and other fund providers.
- It provides better understanding of risk and opportunities related to every action of the companies.
- It encourages healthy liaising with other companies, government, suppliers, customers, peers, media and society in which it operates.

CONCLUSION

ISO 26000 works as a complementary tool with other tools and initiatives that are working to promote the social responsibility understanding. Every company should consider external conditions like social, legal, environmental, cultural, political etc. in which it operates along with being consistent with internal norms of behavior. It should be taken into account that it is actually not a standard but a guidance for all organizations to act in a socially responsible behavior which will ultimately ensure the sustainability.

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