

The impact of ISO 26000 social responsibility standard adoption on firm financial performance

Evidence from France

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Abstract

Purpose – The purpose of this paper is to investigate the relationship between the ISO 26000 (global corporate social responsibility standard) adoption and financial performance. The current study aims to explore whether ISO 26000 social responsibility standard adoption has an impact on financial performance.

Design/methodology/approach – The study is based on a sample consisting of French companies listed on the CAC-All-Tradable index for the period 2010-2017. This study is motivated by using panel data estimated feasible generalized least squares method.

Findings – The results show that that good corporate governance can improve the financial performance. This positive impact is also noticed in the case of labor relations and conditions, environment and community involvement. However, it does not apply to human rights, fair operating practices and consumer issues, as there is no significant relationship between these dimensions and the financial performance.

Practical implications – The findings may be of interest to the academic researchers, investors and regulators. For academic researchers, it is interested in discovering how the adoption of ISO 26000 can improve financial performance. For investors, the results show that it is appropriate for different countries to adopt the ISO 26000 guidelines and introduce societal practices in their activities.

Originality/value – This paper extends the existing literature by examining the effect of the ISO 26000 standard for financial performance in the French context. The study of corporate social responsibility through its seven societal dimensions has enabled us to understand the guidelines relating to the ISO 26000 standard.

Keywords ISO 26000, Environment, Human rights, Financial performance, Business ethics and sustainability, Consumer issues and community involvement, Global corporate social responsibility standard

Paper type Research paper

1. Introduction

Since its emergence, the corporate societal responsibility has aroused a growing interest within not only our modern society and companies but also in international organizations and governments (Valmohammadi, 2014; Famiyeh *et al.*, 2016; Chiarini and Vagnoni, 2017). This concept acquires all its importance in the business world, and it is based on several international guidelines, especially the GRI standards, ISO 14001, ISO 9001 and ISO 26000, etc. (Moratis and Tatang Widjaja, 2014; Ranängen *et al.*, 2014).



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REGRESSION

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CORELLATIONS

		ROA	Human Rights	Relations	Enviroment
Pearson Correlation	ROA	1,000	0,001	0,424	0,211
	Human Rights	0,001	1,000	0,405	0,611
	Labor Conditions & Relations	0,424	0,405	1,000	0,472
	Enviroment	0,211	0,611	0,472	1,000
Sig. (1-tailed)	ROA		0,496	0,002	0,082
	Human Rights	0,496		0,003	0,000
	Labor Conditions & Relations	0,002	0,003		0,001
	Enviroment	0,082	0,000	0,001	
N	ROA	45	45	45	45
	Human Rights	45	45	45	45
	Labor Conditions & Relations	45	45	45	45
	Enviroment	45	45	45	45

DESCRIPTIVE STATISTICS

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
ROA	45	6,50	10,50	351,50	7,8111	1,34117
Human Rights	45	1,00	9,75	133,00	2,9556	1,57983
Labor Conditions &	45	2,00	32,60	492,80	10,9511	8,12517
Enviroment	45	0,75	10,75	166,50	3,7000	1,96893
Valid N (listwise)	45					