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Olivier Boiral
Department of Management
Université Laval
Olivier.Boiral@mng.ulaval.ca

Iñaki Heras-Saizarbitoria
Department of Management
University of the Basque Country UPV-EHU
iheras@ehu.es

Francesco Testa
Institute of Management
Sant'Anna School of Advanced Studies
francesco.testa@sssup.it

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Olivier Boiral
Department of Management
Université Laval
Olivier.Boiral@mng.ulaval.ca

Address: Département de management, Faculté des sciences de l'administration, Université Laval, Pavillon Palasis-Prince, 2325, rue de la Terrasse, Local 1638, Québec (Québec) G1V 0A6, Canada. E-mail: Olivier.Boiral@mng.ulaval.ca; Telf. : +418 656-2131 ; Fax : +418 656-2624.

Iñaki Heras-Saizarbitoria
Department of Management
University of the Basque Country UPV-EHU
iheras@ehu.es

Address: Faculty of Economics and Business, University of the Basque Country UPV-EHU, Plaza Oñati 1, 20018, San Sebastian, Spain. E-mail: iheras@ehu.es; Telf.: +003443018371; Fax: +003443018361.

Francesco Testa
Institute of Management
Sant'Anna School of Advanced Studies
francesco.testa@sssup.it

Address: Sant'Anna School of Advanced Studies – Institute of Management, Piazza Martiri della Libertà 33, 56127 Pisa, Italy. E-mail: francesco.testa@sssup.it; Telf. : +39 050 88.31.11 - Fax +39 050 88.32.25

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Abstract

This article analyzes the extent to which stakeholder pressure contributes to the CSR-washing phenomena and its impact on the organizational outcomes. To that end, this work analyzes the relationships involved using primary data obtained from a survey of 130 Italian organizations that have implemented the SA8000 international CSR standard. The article contributes to both the theoretical and empirical literature on CSR-washing by proposing an integrated approach that sheds more light on the driving factors behind and outcomes from the internationalization of a well-defined and comprehensively monitored set of CSR practices, namely the SA8000 standard. The implications for managers, policy makers and other stakeholders are discussed.

Keywords: Stakeholder Pressures, bluewashing, decoupling, CSR-washing, CSR standards, SA8000.

1. Introduction

CSR-washing can be defined as a disconnect between the positive image projected to stakeholders with regard to corporate social responsibility and a company's actual internal practices in this area. CSR-washing can be linked to other concepts, shedding light on contradictions between talk and actions, such as the concept of organizational decoupling, which is well established in

neo-institutional theory (Boxenbaum and Jonsson, 2008). From this theoretical perspective, institutional pressures from stakeholders encourage the superficial adoption of practices and structures intended to improve organizational legitimacy rather than internal practices. Nevertheless, the literature points out that stakeholder pressure, which is one of the main drivers of CSR practice, are not necessarily monolithic and interchangeable (e.g. Testa *et al.,* 2015a). Different stakeholders can have different impacts on the adoption of CSR practices and performance. As far as we know, the extent to which the pressures from different stakeholders contribute to the CSR-washing and outcomes has not been properly studied, and the relationships remain uncertain.

Despite this growing interest in CSR-washing, the drivers and outcomes have been overlooked in the literature (e.g. Pope and Wæraas, 2014). The lack of studies in this area can be explained in various ways, in particular by the under-theorization of the CSR-washing issue, the need to better operationalize the concept of disconnection or decoupling and measurement issues related to CSR practices. In order to avoid this pitfall, the present paper focuses on international standards of CSR. Several CSR certifiable meta-standards have been launched in the last decades but one of the most popular and widespread has been the SA8000 system, as the ISO 26000 launched by ISO is not suitable for certification purposes (Hahn, 2013).

SA8000 is defined by its promoters, Social Accountability International (SAI), as a third party auditable social standard aimed at ensuring both ethical sourcing of products and goods and workplace conditions worldwide. The standard is primarily based on the various conventions and recommendations from the International Labour Organization, the Universal Declaration of Human Rights and the Convention on the Rights of the Child of the United Nations. Compared to other CSR standards and broader practices in this area (e.g. conformity to the Global Compact), SA8000 provides a comprehensive framework for CSR management and a generally accepted verification system. Overall, it has been considered one of the most relevant CSR initiatives, as it is intended to institutionalize business ethics through standardization (Gilbert and Rasche, 2007). Nevertheless, the extent to which SA8000 is internalized into organizational practices and substantively improves CSR performance has not been studied in the scholarly literature (Sartor *et al.,* 2016). Similarly, the role of stakeholder pressure in the successful implementation of the standard, as opposed to CSR-washing, remains an under-studied field. With regards to internalization, there has been deep concern among NGOs (e.g. Laric, 1999) and practitioners (e.g. Zuckerman, 1998) about this issue since the CSR-standard was launched. Moreover, as recently underlined by Berliner and Prakash (2015), the lack of adequate monitoring and enforcement mechanisms for CSR undermines the measurement of practices in this area (Berliner and Prakash, 2015). Consequently, from a more general theoretical perspective, studying the internalization of the SA8000 standard is necessary in order to analyze the more general CSR-washing phenomena. Taking these gaps and failures into consideration, this article analyzes the impact of institutional pressure from different stakeholders on CSR-washing and organizational outcomes.

2. Literature review and hypothesis development

The literature on meta-standards has shown that institutional pressures represent one of the main motivations for the adoption of formal CSR and environmental standards (Heras-Saizarbitoria and Boiral, 2013). However, the impact of those standards on organizational activities remains controversial (Yin and Schmeidler, 2009; Ferrón Vílchez and Darnall, 2014). Drawing on the literature, it can be assumed that the effectiveness of CSR standards depends on their internalization, which is influenced by the nature and intensity of external pressures and ***it is important to distinguish different categories of stakeholders to analyze how they can influence the adoption of CSR practices.***

Drawing on the stakeholder management literature, Buysse and Verbeke (2003) identified and tested the influence of four categories of stakeholders on the adoption of proactive sustainable strategies. They drew a distinction between regulatory stakeholders (governments and public agencies), external primary stakeholders (consumers, buyers and suppliers), internal primary stakeholders (shareholders and financial institutions), and secondary stakeholders (trade unions, industrial associations, NGOs and local community). In line with this widespread scholarly categorization (Murillo-Luna *et al.,* 2008; Haddock-Fraser and Tourelle, 2010; Lannelongue and González-Benito, 2012), we developed our hypotheses.

First, government and public authorities can design guidelines and policy documents to publicly support the adoption of meta-standards and CSR principles. For instance, European policy makers have recognized CSR as a worthwhile policy issue, emphasizing the role of CSR in creating added value and supporting a firm's competitiveness (Spence, 2007). At the local level, regional governments can also design effective incentives to encourage the adoption of CSR initiatives such as regulatory relief, reduction in the administrative burden for organizations, grants, and so on. (Heras-Saizarbitoria *et al.,* 2015, Testa *et al.,* 2016). For example, an Italian region has reduced taxes for firms who have implemented a CSR management system according to the SA8000 standard. Nevertheless, this type of incentive is conditional on the adoption of the standard and does not depend on its internalization into daily activities. As a result, some organizations may be tempted to adopt the SA8000 standard symbolically, to limit the costs of the system and avoid internal changes, while responding, in appearance, to government pressure. This type of behavior has been observed in the case of the EMAS standard for environmental management, which has been the object of strong governmental pressures and incentives (Heras-Saizarbitoria *et al.,* 2015). As shown by Testa et al. (2015a), the internalization of the EMAS standard does not depend on the intensity of pressure from government agencies. Based on this evidence, we formulated the following hypothesis:

> ***Hypothesis 1: Greater pressure from public authorities does not have a positive effect on the internalization of SA8000.***

External primary stakeholders (buyers and suppliers) are related to the supply-chain. Various studies have focused on the adoption of CSR practices, such as responsible sourcing, compliance of suppliers with human right standards and diffusion of codes of conduct, in supply-chain management (e.g. Ciliberti *et al.,* 2009; Battaglia *et al.,* 2010; Testa *et al.,* 2012). The literature has also emphasized the significant growth of ethical consumption (e.g. Nicholls, 2010; Testa et al. 2015b). Many consumers are ready to pay a premium price for more ethical products, which creates new opportunities for firms contemplating investments to make product and processes more sustainable (Lanzini *et al.* 2015). Similarly, Hiscox *et al.* (2011) conducted an experiment among on-line shoppers and found that a label with information about SA8000 certification increases their willingness to pay a price premium. Generally speaking, in business to business relationships, suppliers can push other supply chain members to comply with international CSR standard on product or management system, and to gain a competitive advantage (e.g. Battaglia *et al.,* 2010; Testa *et al.,* 2012). However, a market request may be satisfied by showing the achievement of third party certification without full integration of the standard's requirements into strategies and operations (Testa *et al.,* 2015a). For example, the survey conducted by Baden *et al.* (2009) on SMEs operating in the UK found that, even if pressure from buyers induces an SME to demonstrate CSR activities in some cases, this pressure is counter-productive. Thus, we formulate the following hypothesis:

Hypothesis 2: Greater pressure from external primary stakeholders does not have a positive effect on the internalization of SA8000.

Internal primary stakeholders are essentially shareholders and financial institutions (Buysse and Verbeke, 2003). The search for legitimacy in the eyes of this type of stakeholder can be a significant source of motivation for adopting CSR practices. The adoption of SA8000 can contribute to this legitimacy and appears to be a tool to respond to shareholders' expectations and values on CSR (Yang and Rivers, 2009). As demonstrated by the recent Volkswagen scandal, unethical actions can seriously threaten corporate reputation and generate significant financial losses (Krall and Peng, 2015). This type of reputational risk has increased the interest of shareholders, capital investors and financial institutions in investing in socially responsible organizations (Cheng *et al.*, 2014). The reduction of reputational risks through the prevention of ethical scandals requires the internalization of CSR practices. According to Testa *et al.* (2015) pressure from shareholders and financial institutions can contribute to the internalization of certifiable management systems such as the EMAS certificate. Overall, the literature indicates that pressure from internal primary stakeholders tends to improve the effectiveness of environmental practices and internalization of meta-standards (e.g. Lannelongue and González-Benito, 2012). Based on these evidences, we hypothesize that:

Hypothesis 3: Greater pressure from internal primary stakeholders has a positive effect on the internalization of SA8000.

Secondary stakeholders (i.e. trade unions, industrial associations, NGO and local community) can also play an important part in the adoption of CSR practices. For example, industry bodies can establish sectoral codes of conduct (i.e. responsible care for the chemical industry) and produce peer-pressures which generate "follower" behaviour in the industry (Lennox and Nash, 2003). In addition, industry associations can increase the awareness of managers about the benefits and critical steps in the implementation process of international standards (e.g. Testa *et al.*, 2012). Similarly, pressure can be exerted by trade unions, which have a strong interest in the promotion of human rights and safeguarding workers' health and safety (Preuss *et al.*, 2006). Social organisations working to advance human rights and sustainable development can also exert pressure for the adoption of CSR practices (Yang and Rivers, 2009). Generally speaking, because of their social mission, secondary stakeholders, in particular trade unions, NGOs and local communities, are more concerned about the substantial integration of CSR practices than the adoption of a reassuring standard such as SA8000. From this perspective, one can assume that they contribute to the internalization of the standard. Based on this, we hypothesize that:

Hypothesis 4: Greater pressure from internal secondary stakeholders has a positive effect on the internalization of SA8000.

The literature also provides evidence that internal motivations in the adoption of meta-standards contribute to their internalization. For example, internal motivations in the adoption of the ISO 9001 meta-standard tend to reduce the difficulties of implementation (Yahya and Goh, 2001) and improve the culture of quality management within the organization (Jones *et al.*, 1997). Similarly, internally-driven firms are more likely to have a fuller implementation of the components of ISO 9001 associated with a higher internalization of this meta-standard (e.g. Tarí *et al.*, 2014). The same type of findings has been observed with regard to the ISO 14001 environmental management meta-standard. For example, **Guoyou *et al.* (2012) found that internal motivation has a positive**

effect on the internalization of this standard. Generally speaking, internal motivation appears to be one of the main drivers of the successful implementation of ISO 14001 (e.g. Guoyou *et al.*, 2012). Given the similarities in terms of management principles and certification mechanisms between meta-standards (Heras-Saizarbitoria and Boiral, 2013), the following hypothesis can be formulated, based on the literature:

Hypothesis 5: Internal drivers to adopt the standard have a positive effect on the internalization of SA8000.

With regard to the outcomes of internalization, the general conclusion in the literature is that firms achieve better results if the requirements of certification are rigorously adopted **(Castka and Prajogo, 2013)**. Nevertheless, some relevant nuances have to be made regarding this topic, depending of the type of outcome studied, and the more recent empirical evidence puts this conclusion in some doubt. In the literature the most important outcomes associated with the adoption of the meta-standards have been divided in internal and external outcomes (Heras-Saizarbitoria and Boiral, 2013).

Regarding the internal benefits – mostly associated with operating benefits – the general conclusion is that firms achieve better results if the requirements of certification are rigorously adopted. For example, **Naveh and Marcus (2005**) show that when ISO 9001 is more integrated in daily practices, organizations achieve higher internal operating advantages and benefits. Other studies have shown the positive impact of internalization on managerial commitment, training, documentation activities, and others internal benefits (e.g. **Prajogo, 2011; Heras-Saizarbitoria, 2011; Tarí *et al.*, 2013**). Drawing on this literature, we posit the following hypothesis for the specific case of SA8000:

Hypothesis 6: The internalization of SA8000 has a positive effect on the internal benefits of the certified firms.

Regarding the external benefits, the adoption and certification of meta-standards produces benefits in legitimacy which go beyond pure technical or efficiency advantages. These include reputational benefits. Castka and Prajogo (2013) found ***that the internalization of ISO 14001 does not lead directly to reputational benefits from certification. This might be because*** decentralized institutions use the meta-standards as signaling tools with the intention of eliminating information asymmetries (King *et al.*, 2005; Terlaak and King 2006). These organizations see "certification as a critical determinant of the function of management standards" (Terlaak and King 2006, p. 1092), and Terlaak and King (2006) argue that an organization does not need a certificate in order to make the standard work internally. As a result, the adoption of meta-standards tends to be driven by non-technical requirements, such as the reputational benefits. ***For the case of the reputational benefits we posit the following hypothesis:***

Hypothesis 7: The internalization of SA8000 does not have a positive effect on the reputational benefits of the certified firms.

Finally, the empirical literature on meta-standards also shows that the internalization of this standard has a positive external impact on market performance (e.g. Naveh and Marcus, 2005; Singh, 2008)**. In this case it could be reasoned that some of the market benefits of this type of standard that have attracted most attention in the literature, such as differentiation of the**

products of certified companies, overcoming barriers to trade or gaining advantage when tendering for public sector contracts (Heras-Saizarbitoria and Boiral, 2013), are less related to the way the meta-standard is implemented and more closely associated with the signaling effect of certification in the market. Nevertheless, improvement of market performance may also be achieved for reasons that are not related to this signaling effect, such as improvement of internal efficiency as a result of the internalization of the standard. This type of relationship has been reported in the empirical literature. **For example, Tarí *et al.* (2013) report that facilities where the quality management meta-standard was assimilated into day-to-day operations reported better market performance improvement after certification, due to increased customer satisfaction and increased sales.** These considerations lead us to formulate the following hypothesis:

> ***Hypothesis 8: The internalization of SA8000 has a positive effect on the market performance of certified firms.***

3. Methodology

3.1 Sample

To conduct the survey, a structured questionnaire was prepared based on the previous literature in the field. The questionnaire was designed, paying attention to the potential problems of common method variance. We adopted several procedural remedies to reduce bias (Tourangeau and Yan, 2007). For instance, vague concepts, complicated syntax and unfamiliar terms were avoided in order to reduce item ambiguity. The questions were kept simple, specific, and concise, and bipolar numerical scale values were used and verbal labels for the midpoints of scales were provided. Finally, respondent anonymity was guaranteed.

The survey was carried out between March and May 2014. We chose the SA8000 manager as the person with the most relevant information on the specific SA8000-related practices and procedures being carried out in an organization and because he or she has direct access to documentation concerning these issues. 977 organizations were considered but out of these the e-mail contact was found for only 645. The number of returned questionnaires we received out of the 645 organizations was 130, representing a return rate of approximately 13.3% of the population and 20.16% of the sample.

The presence of selection bias was explored using the approach proposed by Armstrong and Overton (1977), where "persons responding later are assumed to be more similar to nonrespondents". We divided the respondents in early respondents (n=68) and late respondents (n=63) and we compare the distribution of answers to those questions that are more likely related to a respondent's interest in the questionnaire (e.g SA8000 internalization, benefits). All comparisons indicated that ratings on the selected measures are similar and, therefore, we can reasonably affirm that the data are not biased.

3.2 Measures

Internalization of SA8000

As the specific issue of internalization of SA8000 has not been analyzed in the literature, we focused on the literature on the internalization of others meta-standards that are closely related, in terms of implementation processes, to the CSR standard. In many cases, in that literature internalization is analyzed as a single dimension, using closed questions, posing a serious risk of subjective and social desirability bias in the respondents' replies. In order to avoid an excessive vagueness in the design of questions, we identified ten items focusing on some critical elements which explain the success of management standards (Heras-Saizarbitoria, 2011). For each item, we asked respondents to identify the corresponding level of implementation using a 5-point Likert scale. The answers to the ten questions were combined, by performing a factor analysis, into a single factor called "SA8000 internalization" (see Table 1 which show the value of the Cronbach's alpha and the factor loadings, that represents how much the factor explains each single item). The Cronbach's alpha reliability coefficient is 0.86, which is considerably above the recommended value of 0.7 for combining variables into a single construct (Cortina, 1993).

Insert Table 1 about here

Influence of stakeholders

The relevance of different stakeholders was measured by asking managers to indicate, by using a Likert scale of 1 to 5 (where 1 indicates low influence and 5 very strong influence), the importance of each stakeholder in the decision to adopt actions aimed to improve the CSR profile of the organization. The following stakeholders were included: public authorities, consumers, trade buyers, suppliers of goods and services, shareholders and investment funds, banks and other financial institutions, trade unions, industry or trade associations, social groups or organisations, and neighbourhood groups/communities.

In order to reduce the number of dependent variables and identify the effect on SA8000 internalization of each homogeneous stakeholder category, following Buysse and Verbeke (2003), we classified the list of stakeholders into four categories: external primary stakeholders, internal primary stakeholders, secondary stakeholders and regulatory stakeholders. For the first three categories, the answers to the questions were combined, by performing a factor analysis, into three single factors. As shown in Table 2, even if the value of Cronbach's α does not exceed the recommended value of 0.7, a value higher than 0.6 is acceptable in exploratory studies (Hair et al., 1998). Moreover the Composite Reliability, for all constructs, exceeds minimum recommended level of 0.6 (Bagozzi and Yi's (1988).

Insert Table 2 about here

Internal drivers

As previously mentioned, a firm may decide to allocate resources to socially responsible activities in order to increase its competitive performance (e.g. Lee, 2008). Building on the previous work on CSR practices and health and safety and environmental management systems, we identified the following main internal business drivers that motivate an organization to internalize CSR principles by a full adoption of SA8000 standard: reducing costs (e.g. Ciliberti *et al.*, 2009), demonstrating CSR leadership (e.g. Smith, 2003), benefit from regulatory simplification measures – including grants, fiscal benefits and reduced inspections, among other measures (e.g. Carrol and Shabana, 2010), reducing potential conflicts over social and labour relations (e.g. Zu and Song, 2009), top managers' social responsibility and ethical concerns (e.g. Zu and Song, 2009),

improving regulatory compliance (e.g. Santos *et al.*, 2013), and employee mobilization (e.g. Longo *et al.*, 2005).

We measured the influence of the internal drivers by asking respondents to express their level of agreement with a list of aspects which motivated their organization to implement SA8000. For each statement respondents were asked to score from 5 "Very significant influence" to 1 "Very low influence". The responses were entered into a common factor analysis and one reliable factor emerged to account for the internal drivers (see Table 3).

Insert Table 3 about here

Benefits

Several benefits can be associated to the adoption of CSR practices. According to the CSR literature, three main potential advantages were identified: reputational benefits (e.g. Lai *et al.*, 2010), internal benefits (e.g. Longo *et al.*, 2005), and market benefit (e.g. Kiessling *et al.*, 2015). Twelve benefits were identified and respondents were asked to express the extent to which SA8000 helped their firm to achieve these benefits. For each benefit respondents were asked to score from 5 "To a great extent" to 1 "Not at all". The responses were then merged using a factor analysis to produce three factors to account for reputational, internal and market benefits (see Table 4)

Insert Table 4 about here

Control variables

A set of control variables were included in order to capture the impact of other elements on the integration of SA8000 requirements into a firm's practices. Since small organizations might be less able to integrate principles of sustainability into their operations (Testa et al., 2015a) we controlled for size by including the logarithm of the number of employees.

Moreover, we included two categorical variables to control for market concentration and the geographical scope of the market in which the organization competes.

Finally, since the adoption of management systems such as ISO 1400 and OASHAS 18001, generates complementary knowledge-based capabilities that can support the adoption of other management standards using a similar conceptual approach (Darnall *et al.*, 2008), we controlled for their presence by including two binary variables. The descriptive statistics and correlations for the study variables are summarized in Table 5.

Insert Table 5 about here

3.2 Empirical Analysis

In order to test the study's hypotheses, we performed two stages least square regressions. Firstly, we estimated the effect of the stakeholders' pressures on the internalization of SA8000

requirements. Secondly, the predicted value of the internalization of SA8000 was included as a driver in the competitive performance equations.

In order to check the feasibility of applying this statistical technique, it was confirmed that the assumptions underlying the OLS regression were met by the equations used to test the hypotheses of this study. First, the normality of residuals was checked by plotting the non-parametric Kernel density estimator, which revealed the symmetry of residual distribution. A Shapiro Wilk test was also performed to check the normality of the distribution. Second, the homogeneity of variance of the residuals was checked by means of the Breusch-Pagan test which indicated that heteroskedasticity did not affect the equations (the null hypothesis that the variance of the residuals is homogenous was not significant). Third, a regression specification error test was performed for omitted variables (Ramalho *et al.,* 2011), which revealed the absence of model specification errors.

In all equations, the presence of collinearity was analyzed by computing the tolerance and variance inflationary factor (VIF) for all variables. The results showed a VIF less than 5 and low variance inflation factors (< 2.0) which means that multicollinearity is not present in the empirical model (O'Brien, 2007). Finally, Harman's single factor test was performed to check for the presence of common method variance. The results showed the presence of at least four distinct factors with an eigenvalue greater than 1.0. The largest of these factors accounted for approximately 31% of variance. Finally, starting from the results of the confirmatory factor analysis to assess the measurement model of latent variables, we compared the model fit indices of the measurement model with the measurement model with a common factor (RMSEA , CFI and TLI) and we found that the measurement model yields consistently better results. Based on these two tests it is possible to affirm that a substantial amount of common method variance is not present.

4. Results

Model 1 in Table 6 show the regression results on the internalization of the requirements of the CSR standard. This model indicates that Hypothesis 1 and Hypothesis 2 are supported (the coefficients are not statically significant). This means that if an organization is pushed by public authorities and external primary stakeholders such as customers and suppliers to adopt the CSR standard, the effect of these pressures on the probability of internalizing the standard's requirements is negligible.

What does emerge from the analysis of Hypothesis 3 is particularly interesting. Model 1 reveals that Hypothesis 3 is clearly rejected. That is, greater pressure from internal primary stakeholders (shareholders and financial institutions) does not affect to the internalization of the CSR standard. The coefficient is negative and statically significant at 95%. Hypothesis 4 is supported; organizations that experience a greater pressure from secondary stakeholders (trade unions, industry associations, NGOs, local communities) to adopt SA8000 have a fuller integration of SA8000 requirements. Trade unions, industry associations, social and neighbourhood groups have the power not only to induce an organization to achieve the CSR standard, but also to influence greater internalization of SA8000 requirements.

The proposed relationship (Hypothesis 5) between internal motivation and SA8000 internalization is supported and strongly significant (β=0.41, $p < 0.001$). This finding emphasizes that a strong internal commitment toward the set of CSR practices proposed by the SA8000 standard is the stronger driver for achieving their significant internalization into daily activities.

Focusing on the control variables, the empirical model confirms that full implementation of a CSR standard requires efforts that small organizations have difficulty sustaining. Moreover,

engagement in a global market seems to positively influence the internalization of SA8000 (even if the coefficient is weakly significant). However, adoption of the OSHAS 18001 standard seems to have a negative effect even if, in this case also, the coefficient is only weakly significant.

Model 2, 3, and 4 show the regression results for the benefits experienced following the internalization of SA8000 requirements. The three equations reveal that Hypothesis 6 and 8 are strongly supported. The coefficients are positive, have a value higher than 0.4 and are significant at the 99% level. The empirical models, therefore, support the statement that organizations that fully integrate the requirements of the SA8000 CSR standard experience greater improvements in their competitive performance measured by internal and market benefits. Conversely, Hypothesis 7 is not confirmed, since the reputational benefit seems also to be improved, as the companies internalize the standard more fully.

With regards to the control variables, ISO 14001 and OSHAS 18001 certification affect the relationship between SA8000 internalization and market benefits. In the former case it was found that greater internalization of the SA8000 is associated with a lower perception of market benefits – and also of reputational benefits – although not in a statistically significant way. This finding is in line with other evidence in the scholarly literature that underlines the erosion of the perceived market benefits of the adoption of new international meta-standardsin companies that are already certified, especially when the later adopted standards are less widely disseminated, less recognized and less mature and have a different focus from the earlier adopted ones (Heras-Saizarbitoria and Boiral, 2013). In contrast with this, for OSHAS 18001 – a less widely disseminated and recognized meta-standard, which overlaps with SA8000 on the requirements on health and safety issues – companies certified in that certification scheme perceived higher market benefits from a higher internalization of SA8000. It may have seemed to these companies that there room for improvement due to the narrower focus and lower recognition of OSHAS 18001.

Insert Table 6 about here

5. Discussion and Conclusions

The objective of this study was to analyze the influence of different forms of stakeholder pressure on the internalization of the SA8000 standard and its organizational outcomes. The findings show that those pressures are not monolithic and play very different roles in the successful, rather than the superficial, implementation of CSR practices.

Pressure from certain stakeholders, namely public authorities, buyers, suppliers, shareholders and financial institutions does not positively contribute to the substantial adoption of the SA8000 standard. Overall, certification send a positive signal to the financial market on the adoption of CSR practices and tends to reduce the reputational risk, whatever the real internalization of these practices inside the organization (Su *et al.,* 2014; Iatridis and Kesidou, 2015). Customers and suppliers are also rarely aware of the real internalization of CSR practices. The SA8000 standard is often used as a label to manage supply chains and select suppliers, often located in foreign countries or remote areas where the internalization of CSR practices cannot be independently verified (e.g. Ciliberti *et al.,* 2009). As a result, the certification associated to this standard can be primarily used, in some circumstances, for commercial purposes and to create an impression rather

than to improve CSR practices. This CSR-washing tends also to apply with pressure from financial institutions and shareholders, who are not necessarily well informed about the internalization of meta-standards inside certified organizations.

Conversely, pressure from others stakeholders, namely trade unions, NGOs, industry associations and local communities have been found to contribute to the internalization of CSR practices. For example, trade-unions are involved inside organizations and can exert pressure to internalize CSR practices in the workplace. This is the case in some specific socio-economical environments such as in Italy, where the role of these stakeholders in fostering CSR initiatives has been found to be significant (Perrini *et al.*, 2006).

Contributions

First, this paper contributes to the literature on CSR practices and SA8000. This paper sheds more light on the complex relationships between the external pressures for the adoption of this standard, its internalization inside organizations and its related benefits.

Second, this paper contributes to the literature on neo-institutional theory and its approach to the implementation of meta-standards. Generally speaking, this approach is based on a quite monolithic view of institutional pressures which drive companies to become isomorphic by adopting, more or less symbolically, similar standards and practices, such as the ISO 14001 management system. Our findings show that the institutional pressures from different stakeholders are not interchangeable. Depending on the stakeholders involved, those pressures can have a very different impact on both the internalization and outcomes of SA8000. This finding is in line with the literature on institutional complexity, which has shown that external pressures can be based on different expectations and result in different types of responses from organizations (e.g. Pache and Santos, 2010). As a result, organizations adopting standards such as SA8000 are not isomorphic and, depending on the pressures from stakeholders, can use this standard to improve internal practices or, conversely, as a CSR-washing tool. This perspective raises questions about the assumption that "firms do not respond selectively to the different stakeholder groups, but they respond to all of them in a similar way" (Murillo-Luna, 2008, p.1238). As highlighted by Lannelongue and González-Benito (2012), certified organizations tend to respond only to pressures from certain stakeholders, in particular those who can verify the implementation of meta-standards.

Third, the paper contributes to the literature on CSR-washing. Unlike greenwashing (e.g. Seele and Gatti, 2015), CSR-washing remains an emerging and under-researched topic. Although the two concepts seem closely related, they relate to different issues that are shaped by different stakeholders. For instance, the role of trade unions seems to be essential in the promotion of CSR practices and the internalization of the SA8000 standard. Conversely, their influence is rarely mentioned in the literature on greenwashing or internalization of environmental management standards. Overall, this paper sheds more light on the specific factors and actors, explaining the emergence CSR-washing, which contrasts with internalizing behaviours inside organizations.

Managerial implications

Findings show that managers concerned by the successful implementation of CSR practices should clarify the reasons and institutional pressures underlying their adoption. Whatever the institutional pressures, managers should not consider SA8000 as a mere commercial certificate with market and reputational benefits, but rather as a management tool to improve essential CSR issues. Second, stakeholders should be more aware of CSR-washing practices related to certifiable standards such as SA8000. Government incentives should focus, as far as possible, on the internalization and outcomes of CSR practices rather than the mere achievement of SA8000 certification. Government and standardization agencies could also develop more stringent training programs and accreditation procedures for the auditors involved in SA8000 certification.

Future research could investigate the perceptions of SA8000 among different stakeholders, their expectations of this standard and the type of pressure they exert to encourage its adoption by companies. Similarly, future research could analyze, through case studies or questionnaires distributed to employees, the reasons why SA8000 is not fully integrated into daily activities and tends to translate, in certain organizations, into CSR-washing practices.

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Table 1: Internalization of SA8000 into daily practices

Item	Factor Loading
1) Periodic meetings with employees regarding SA8000	0.7308
2) "User-friendly" documentation related to SA8000	0.7304
3) Periodic modification of the documentation related to SA8000	0.6990
4) Employee participation modifying documents related to SA8000	0.6897
5) Accessibility of SA8000 documentation in the workplace	0.6840
6) Active participation of employees in SA8000 internal audits (at least every six months)	0.6133
7) Active participation of employees in external SA8000 audits	0.5845
8) Specific actions aimed at providing a safe and healthy workplace	0.6250
9) Training of employees in SA8000 standard and other issues related to CSR	0.6928
10) External communication initiatives related to SA8000 (e.g. public Social Report for stakeholders)	0.5692
Alpha Coefficient	**0.860**
Composite Reliability	**0,858**

Table 2: Measurements of stakeholder pressure

Variable	Item	Factor Loading	Alpha Coefficient	Composite Reliability
External primary stakeholders	Consumers	0.8248	0.649	0,664
	Trade buyers	0.6736		
	Suppliers of goods and services	0.7936		
Internal primary stakeholders	Shareholders and investment funds	0.8717	0.6838	0,706
	Banks and other financial institutions	0.8717		
Secondary stakeholders	Trade unions	0.8074	0.8373	0,841
	Industries or trade associations	0.7697		
	Social groups or organisations	0.8514		
	Neighbourhood groups/communities	0.8462		

Table 3: Internal Drivers

Item	Factor Loading
Reducing potential social and labour relations conflicts	0.7414
Reducing production costs	0.7495
Improving regulatory compliance	0.6924
Top managers' social responsibility and ethical concerns	0.5429
Employee mobilization	0.5096
Demonstrating CSR leadership in our industry	0.5077
Regulatory simplification measures (including grants, fiscal benefits reduced inspections...)	0.5850
Alpha Coefficient	**0.700**
Composite Reliability	**0.711**

Table 4: Measurements of benefits

Variable	Item	Factor Loading	Alpha Coefficient	Composite Reliability
Reputational benefit	Improved public demonstration of respect for the ethical and social principles	0.7553	0.804	0.808
	Increased marketing/advertising opportunity	0.8052		
	Increased shareholder value	0.7612		
	Improved access to capital	0.6834		
	Improved relationships with headquarters	0.7380		
Internal benefit	Social and labour relations conflicts reduced	0.7573	0.795	0.797
	Improved regulatory compliance	0.7531		
	Improved employee mobilization	0.8311		
	Improved employee training	0.8114		
Market benefit	Improved competitive advantage	0.8200	0.786	0.804
	Increased customer satisfaction	0.8659		
	Differentiation of products or services	0.8237		

Table 5: Correlation matrix and descriptive statistics

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
SA8000 internalization	1													
External primary stakeholders	0.17	1												
Internal primary stakeholders	0.04	0.45**	1											
Secondary stakeholders	0.20*	0.53**	0.67**	1										
Regulatory stakeholder	0.12	0.25**	0.29**	0.25**	1									
Internal drivers	0.40**	0.28**	0.33**	0.40**	0.21*	1								
Reputational benefits	0.43**	0.49**	0.36**	0.46**	0.25**	0.54**	1							
Internal benefit	0.57**	0.16	0.21*	0.30**	0.23**	0.65**	0.72**	1						
Market benefit	0.38**	0.56**	0.26**	0.42**	0.14	0.51**	0.55**	0.65**	1					
Employees (log)	-0.28**	0.10	0.09	-0.01	-0.02	-0.08	-0.08	-0.15	-0.11	1				
ISO 14001	-0.09	-0.01	0.02	0.05	-0.01	0.01	-0.08	-0.07	-0.10	0.39**	1			
OSHAS 18001	-0.18*	0.04	0.01	0.08	0.01	-0.01	-0.05	-0.08	0.04	0.28**	0.61	1		
Market scope (local. national. European. international)	0.01	0.05	-0.01	-0.01	-0.27**	-0.12	0.07	-0.05	0.04	0.03	0.01	-0.01	1	
Market concentration	-0.01	-0.13	-0.11	-0.08	0.04	-0.07	0.01	-0.02	0.02	-0.10	-0.02	-0.02	0.01	1
Descriptive statistics														
Mean	0	0	0	0	2.47	0	0	0	0	4.00	0.45	0.34	2.23	2.37
Standard deviation	1	1	1	1	1.38	1	1	1	1	1.61	0.50	0.47	0.97	0.76
Min	-3.12	-1.28	-0.06	-0-89	1	-2.25	-1.90	-2.32	-1.51	1.09	0	0	1	1
Max	2.19	2.88	1.22	3.57	5	2.96	2.65	2.34	2.78	9.35	1	1	4	3
Number of firms	129	128	121	117	125	128	130	128	129	125	132	132	129	128

*: Coefficient is statistically significant at $p < 0.05$

**: Coefficient is statistically significant at $p < 0.01$

Table 6: Regression results for the internalization of the SA8000 standard

	Model 1	Model 2	Model 3	Model 4
Independent variables	Internalization of SA8000 requirement	Reputational benefit	Market benefit	Internal Benefit
External primary stakeholders	-0.162 (0.110)			
Internal primary stakeholders	-0.202* (0.093)			
Secondary stakeholders	0.211* (0.105)			
Regulatory stakeholder	0.108 (0.065)			
Internal drivers	0.410** (0.094)			
SA8000 internalization		1.092** (0.231)	0.852** (0.200)	1.532** (0.273)
Employees (log)	-0.12* (0.05)	0.156† (0.090)	0.082 (0.073)	0.167† (0.098)
ISO 14001	0.136 (0.182)	-0.466 (0.287)	-0.527* (0.254)	-0.354 (0.295)
OSHAS 18001	-0.348† (0.185)	0.460 (0.295)	0.497* (0.254)	0.439 (0.298)
Market scope (local. national. European. international)	0.151† (0.090)	0.063 (0.099)	0.023 (0.087)	-0.135 (0.110)
Market concentration	0.071 (0.110)	-0.221 (0.125)	-0.011 (0.116)	-0.089 (0.140)
Wald chi2	**	**	**	**
R squared	0.351	0.013	0.023	0.019

*: Coefficient is statistically significant at $p < 0.05$
**: Coefficient is statistically significant at $p < 0.01$
† Coefficient is statistically significant at $p < 0.1$
Standard error in parentheses.