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# Effects of ISO certification on the performance of SMEs in Sweden in the context of Sustainable Development

Qualitative research with the focus on ISO 9000, 14000 and 26000

by

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# Abstract

The issue that this study analyses is the assessment of the standardisation effects on SMEs. To address this problem, the purpose of the study was to explore the motivation of Swedish SMEs to acquire management standards introduced by ISO. To gather data, interviews with 3 Swedish SMEs were conducted. The interviews were transcribed and analysed. The collected data and conducted analysis led to the three most common motivations: more effective internal performance, improved corporate image, and improved relations with authorities. Among the negative factors, the complexity of standardisation procedure and the time-consuming aspects of the standards adaptation were highlighted. Those are the factors that affect SMEs' willingness to implement a certain standard in order to become more efficient in the context of sustainable development.

Keywords: sustainable development; organisational theories; ESG reporting; CSR; ISO 9000; ISO 14000; ISO 26000.

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# List of abbreviations

COP	Communication on Progress
CSR	Corporate social responsibility
EMS	Environmental management systems
ESG	Environmental, Social, and Corporate Governance
GRI	Global Reporting Initiative
IMS	Integrated management standard
ISO	International Organisation for Standardisation
MLP	Multilevel perspective
QMS	Quality management systems
SMEs	Small and medium size enterprises
SOIs	Sustainability-oriented innovations
TBL or 3BL	«Triple bottom line»

# 1. Introduction

Sustainable development has become a universal notion and a binding principle for such kind of development where equality and equity play an essential role. Since the Brundtland report, named «Our Common Future», the topic of sustainability has gained much attention from various stakeholders. The idea of choosing a sustainable approach towards setting the development path has become more and more acceptable and has been more integrated into the national policies as a part of the voluntary reports published by states. Nevertheless, for a successful implementation of the agenda, equal participation of all actors is crucial, thus, active actions from governments, the business sector, and civil society towards sustainable development are needed.

Naturally, when approaching the business sector in the context of its influence on the sustainable development paradigm, scholars usually attend to the innovations that are created for other stakeholders by businesses (Tidd & Bessant, 2020). This paper focuses on the innovative organisational practices within companies, which is connected more with the internal reorganisation rather than external production. New organisational practices are being implemented due to various factors. According to the institutional theory introduced by DiMaggio and Powell (1983), organisations have to accede to the rules and norms that prevail in the environment where they exist. As the world paradigm is currently being adjusted, including its various dimensions, i.e. social and economic ones, and our society is on the path of becoming more socially, economically, and environmentally responsible, firms have to adjust both internally by adopting new practices and externally by communicating their improvements to their clients and partners. The notion of Environmental, Social, and Corporate Governance (ESG) is used in this regard. Appealing to the latter part of ESG, i.e. governance, universal standards are rather helpful as they provide harmonised approach towards standardisation and devised with consideration to the rules and norms approved by the global community where formal and informal institutions of global governance are presented, thus, interests of different types of stakeholders are taken into account.

The issues of standardisation are sufficiently covered by academics. Much attention has been brought to the role of internal quality systems that describe the increased effectiveness of small and medium-size enterprises' (SMEs) performance following the adaptation of quality management systems (QMS). There are several standard groups established by the ISO, usually coded under a special number, e.g. ISO 9000 family, ISO14000 family, etc. Academicians usually use ISO 9000 as an example (Rayner & Porter, 1991; McLachlan, 1996; Brown, Van Der Wiele & Loughton, 1998; Kanji, 1998). Another focus has been brought to the environmental management systems (EMS), especially the family of ISO 14000 standards, their effects on SMEs' operation, and the pace of the diffusion of the standards (Rothery, 1996; Poksinska, Dahlgaard, Eklund, 2003; Casadesus, Marimon, Heras, 2008). Nevertheless, despite the overall attention to the importance of standardisation process, there have been few studies carried out that are connected with the role of ISO management systems intertwined with sustainability agenda and their effects on SMEs performance.

Therefore, recalling the three essential pillars of sustainable development, namely economically, socially, and environmentally responsible development, it is important to study the effects of ISO certification from the perspective of sustainable development. So far, only environmental effects have been taken into account, leaving little attention to social ones. Therefore, the currently existing academic problem is linked with the lack of assessment of standardisation in the context of sustainable development.

## 1.1. Background

Social and environmental responsibility in the business sector becomes a new imperative. This responsibility includes certain steps that are to be taken on different levels, starting from the top-level executive management and ending with manual employees. The process of becoming sustainably responsible includes creating and implementation of appropriate strategies, internal policies, and management systems. The notion of corporate social responsibility (CSR) comes to the fore. Certain toolkit within businesses is to be developed in order to provide the necessary foundation for successful CSR implementation and functioning. In this context, International Organization for Standardization (ISO) has developed certain management system certifications that simplify that process of CSR implementation and that many SMEs have effectively executed.

In the 20th century, there was still no consensus on how environmental and social responsibilities affect companies' performance. For instance, Milton Friedman (1990) argued that there is either a negative or no correlation between spendings on philanthropy and companies' financial performance. Nevertheless, various studies presented analyses according to which increased social responsibility of a company leads to better economic performance in the market (Cogan, 2006). The trend for the business sector to become more respectful toward social and environmental dimensions of sustainability continues. The evidence that substantiates a close relationship between implementation of ESG strategies and financial/economic performance is becoming greater. Environmental concerns include topics of greenhouse emissions, biodiversity loss, waste management, water management. Companies become more susceptible to the ecological dimension of sustainability as firstly, according to the concept of Strong sustainability, natural resources are no longer can be substituted by artificial ones, and secondly, the long-term view is becoming prevalent amongst investors, which implies that not only the current operational activities of companies are assessed but future performance and risk-related issues are taken into account (IPE, 2009).

## 1.2. Aim and Objectives

The aim of this research is to fill in the research gap specified above, namely assess the ISO standard families on the pretext of the sustainable development agenda and take a closer look at the effects of ISO certifications on the performance of SMEs in the context of the sustainable development agenda. Nowadays, although there can be identified a growing

interest in voluntary management standards connected with sustainability, little empirical information is found, and only a couple of analytical publications exist which, however, take into consideration IMS, leaving out management standards connected with social responsibility.

Objectives can be specified as follows:

- To analyse the ISO standards' connection with the sustainable development agenda based on the overview of the academic literature.
- To collect empirical data in the form of interviews and data coding in order to specify the effects of ISO standards implementation.
- To summarise the data analysis outcomes.
- Predicating on the analysed outcomes, to present a more detailed understanding of the ISO standards' effect on SMEs' performance.

### 1.3. Research Purpose

The purpose of this research is to describe and conduct a preliminary analysis of the effects that ISO implementation has on companies, specifically on small and medium enterprises (SMEs) in the context of sustainable development. The analysis is characterised as preliminary due to its certain limitations that will be specified later. Only internal effects are taken into account as the chosen ISO standard families, which are ISO 9000, 14000, and 26000, deal with internal management systems within SMEs.

Hence, the research questions can be specified as follows:

1. *What are the effects that companies experience after the adoption of ISO quality management standards?*
2. *How is experience with one management standard related to the adoption of other standards?*

This research also adds to the body of standardisation knowledge as it touches upon the ISO standard family which is connected with social responsibility. Previously, only QMS and EMS, also very often described as the integrated management standard (IMS), have been described and analysed. Hence, an effort towards a more comprehensive analysis of the effects of ISO standard families within the sustainability concept is made.

## 1.4. Delimitations

No research is immune to certain limitations. Most of them usually arise from methodology and connected with data sampling and analysis. More attention to this issue will be brought in the «Methodology» section. As for the main limitation in the «Introduction» part, time constraints and limited access to data are to be highlighted.

Time constraints encompass the limited amount of time which is connected with the need for literature analysis and data gathering. Since the interconnectedness of ISO standards and sustainability studies is not widely covered in the existing literature, considerable effort was needed to analyse and compare the concepts of standardisation in the context of organisational innovations and sustainability. Moreover, it was necessary to analyse all three ISO families in a comprehensive way, which also required a certain amount of time. Therefore, instead of listing the drawbacks, it is important to emphasise that there is a great opportunity to continue researching more in this field, and this paper should be taken as a first steady step towards detailed research on ISO standard families and similar practices within ESG and CSR reporting.

As for another delimitation, limited access to data has been an impediment to analysis and added to general pressure also in terms of time constraints. First of all, it is impossible to secure access to ISO documentations unless you are representing a company and is willing to pay for ISO standards, thus, the author of the paper was relying on the existing literature only, and thus, all conclusions are made in accordance with the existing analyses, for instance, there are some implementation guides published that describe how ISO standards are to be implemented (Rothery, 1996); however, the access to the initial texts of ISO standards is limited.

One more issue connected with limited data access is the overall unwillingness of the companies to participate in an interview for an academic paper. Naturally, this can be attributed to the limited time that companies' representatives have. Only three out of fifteen companies agreed to participate in an interview. The data sampling and the ability to draw more comprehensive conclusions have suffered, which is why it is so crucial to continue with further analysis in this field.

## 1.5. Outline of the Thesis

The structure of the study is determined by the aim, objectives, and research purposes. The thesis consists of an introductory chapter, three chapters, a conclusion, and an appendix.

The introduction reveals the relevance, determines the degree of academic development of the topic, aim, objectives, purposes, and also discusses the theoretical and practical significance of the work. The overall background of the sustainability agenda in standardisation processes is introduced and certain abbreviations are explained. Moreover, specific limitations of the

presented research are explained and certain solutions and ideas for further research are provided.

The second chapter reveals a literature overview where the inductive approach is implemented: at the beginning, the general topic of sustainability and some theories within this concept are presented and then its relativeness to the field of standardisation is discussed.

In the third chapter, methodology methods are described. This is a qualitative paper where the author draws conclusions predicated on the interpretations of the collected data. The data is collected in the form of interviews. The interviews were conducted with three companies, two of which represent the tertiary sector and one operates within the manufacturing sector. The interviews were conducted with the top-leadership to ensure comprehensive data collection.

The fourth chapter presents the analysis of the collected and manually coded data linking it to the theoretical discussions presented in the literature section and discusses some preliminary conclusions.

In the conclusive chapter, the main conclusion of the study is stated and the fulfillment of the aim, objectives, and research purposes is assessed. The conclusions logically follow from the research findings. Moreover, ideas for further research extension are discussed.

## 2. Literature/Theoretical Review

This chapter discusses certain concepts related to the sustainability agenda and organisational innovations. The literature overview is organised in accordance with an inductive approach, as specified previously. This is purposefully organised in such a way in order to make sure that the readers who can be both academia and business representatives, acknowledge the inevitable importance of sustainable development and its underlying concepts and then ask themselves a question as to what they particularly can do to further promote it. Throughout the chapter, the reader is provided with some ideas as the literature description is narrowed down and more practical concepts from the field of standardisation are discussed.

### 2.1. Sustainability Agenda and Organisational Innovations

Since the Brundtland report (1987) the world community has become highly engaged in the sphere of sustainability-oriented innovations (SOIs), which entails the inclusion of the sustainability agenda in all societal spheres. Firms, namely small and medium enterprises (SMEs), representing the economic sector of our society, are inherent elements of the successful sustainability transition. Such a transition is defined as a radical structural change of the whole societal subsystem that includes different aspects, namely economic, cultural, ecological, institutional at different levels (Grin et al, 2010). To understand the theoretical background of the transition, one should refer to the multilevel perspective (MLP) explained by Geels (2002). MLP consists of the three central pillars: regime (i.e. the existing system), landscape (external factors, such as climate change), and niche-level (i.e. space for experiments where civil society plays an active role). MLP implies that a transition takes place when there is a regime shift that is triggered by interactions between landscape and technological niches. Therefore, to effect a substantial regime change, both landscape and niche perspectives should be actively «promoting» their agenda.

Furthermore, following the framework of the Nested model of sustainability, also known as Strong sustainability that argues that the decline in natural capital cannot be compensated with any other type of capital, the modern community accepts the idea of limited planetary boundaries, which explains our strong dependency on the state of affairs on our planet and ecosystems (Heinrichs, Martens, & Wiek, 2016). Being sustainable is no longer a priority but a strong necessity. Therefore, firms, as an integral part of the innovation transition, have to act as well. Subsequently, innovative practices, including the organisational level, act as one of the several responses to the changes in the social and economic environment (Taalbi, 2017). According to Tidd & Bessant (2020), innovations are more than just a simple elaboration of new ideas. On the contrary, innovations are connected with putting those ideas into practice

and fulfilling the need of completing the development and exploitation of new expertise. There are several types of innovations. This paper concentrates on organisational innovation that is aimed at changing organisational and managerial strategies of economic actors. Organisational innovations with enterprises can include not only innovations in internal processes but also in product processes, which generally leads to improved image and reputation, therefore, allows for additional growth in market share (Tidd & Bessant, 2020).

## 2.2. Organisational Theories

### 2.2.1. Legitimacy theory

Businesses nowadays are expected not only to fulfil their role of meeting the needs of people by providing them with goods and services but also to become socially and economically responsible. From the theoretical point of view, this feature can be analysed by applying the legitimacy theory: organisations are constantly seeking to ensure that their operational activities are laid down within the boundaries and frameworks of the societies that are represented by those organisations. Thus, it all predicates on the idea that there is a ‘social contract’ between a company and the society where this company operates (Mathews, 1993; Cuganesan, Ward & Guthrie, 2007). This all together implies that once the organisation is perceived as not obeying the social contract, the society will cease any relations with this company. Virtually the terms and conditions of the social contract are difficult to define as they can be explicit or implicit. Moreover, the expectations that society has towards companies are also constantly changing. Hence, as described by Cuganesan, Ward & Guthrie (2007), «because community expectations can change over time, the organisation needs to make disclosures to show that it is also changing» (p. 5). Therefore, companies need some kind of a way to present their changes in the operational activities and get ‘authorised’ by society to prove their legitimacy.

### 2.2.2. Institutional theory

As specified in the introduction, the environment in which companies operate has some strong impact on the internal adjustments of the companies. According to the institutional theory introduced by DiMaggio and Powell (1983), organisations have to accede to the rules and norms that prevail in the environment where they exist. This is deeply embedded in the structure of social groups: institutional theory analyses structures, routines, and norms that become authoritative guidelines for social behaviour (Halton et al., 2004). Applying this theoretical concept to the business reality, we can see that firms experience pressure not only from society but from the established rules within their industries. As described by DiMaggio and Powell (1983), organisational structure stems from the institutional limitations introduced by the state and the professions, which explains the other side of reality: firms depend not only on the society that represents their consumers but on the authorities and governmental institutions.

### 2.2.3. Cultural theory

This theoretical concept describes the relations within companies. Ravasi and Schultz (2006) define organisational culture as a set of shared assumptions that guide behaviours. Therefore, rules and norms established within companies have strong impact on how employees interact with one another. Moreover, organisational culture affects the interaction with people outside companies, namely with customers and stakeholders (Schrodt, 2002). Quite often organisational culture can be defined as a corporate image or a corporate personality. Flamholtz and Randle (2014) characterise it as it comprising the attitudes, concepts, values, and practices that shape people's conduct as members of a group. The manner which is used for engagement among group members, the environment in which knowledge is generated, the group's susceptibility to certain changes, and, ultimately, the way the knowledge is disseminated are all influenced by the organisational culture. Successful interaction within a company defines a certain part of the eventual successful performance. Therefore, a structured approach towards corporate culture creation is highly appreciated as it will help not only structure the existing practices, thus make them clearer for all present members of the group, but also transmit them to the newcomers to ensure meaningful intergenerational connection.

## 2.3. ESG and CSR: What are those abbreviations about?

### 2.3.1. Environmental, Social, and Corporate Governance

The abbreviation ESG stands for Environmental, Social, and Corporate Governance. Companies use this abbreviation to describe the reporting system they are using. As the societal paradigm is changing and affecting all the actors of society, including governments and businesses, more accountability is sought by all the members of the society. Thus, ESG reporting is used to assess the societal impact of operational and interment activities in a company. From the entrepreneurial point of view, money is to be invested in economically rewarding opportunities, thus financial returns used to be the most important motivating factor. Nevertheless, over time, social aspects started to play an important role as well with the role of pension funds increasing (Gary, 1983 cited in McCarthym, 2014). Later on the role of socially responsible investing experienced various assessments of its efficiency with some scholars laying out its unrewarding features (Friedman, 1990) and other scholars emphasising its prolonged positive impact (Barnett & Salomon, 2006). In 1998, a special framework called «triple bottom line» (TBL or 3BL) was devised by John Elkington. This is an accounting framework that embodies three dimensions: social, environmental, and financial. This framework is usually adopted by organisations in order to evaluate performance, foster relations with stakeholders, and attract new sources (both financial and human) into companies. Currently, we are facing a new stage of investing when investors want to create a certain impact from the money they are giving to firms. So companies have begun to embrace stakeholder-oriented strategies in order to maximise their social value in response to the rising intention of responsible investors to examine a company's performance on ESG aspects when making investment decisions (Alsayegh, Abdul Rahman & Homayoun, 2020).

Nowadays, ESG reporting is widely endorsed, even at the international level. It started in 2005 when the UN Environment Programme Finance Initiative requested an assessment on the application of the rules with respect to investors and ESG issues from the international law firm Freshfields Bruckhaus Deringer. Nowadays, another initiative from the UN called Global Compact, which is the world's largest corporate sustainability initiative, calls on businesses to publish their Communication on Progress (COP) reports that help foster more transparency and include even non-financial information (UN Global Compact, 2021). One more example of the global CSR reporting framework is Global Reporting Initiative (GRI). This is an independent organisation founded in the USA that devises GRI standards for businesses. In 2000, GRI developed the first global framework for sustainability reporting named G1 and then progressed with further standardising procedures (GRI, 2021).

An additional example of CSR reporting at a regional level could be Directive 2014/95/EU Directive 2014/95/EU – also called the Non-Financial Reporting Directive (NFRD) which lays down the rules on disclosure of non-financial and diversity information by certain large companies (EU, 2021). The EU countries can then use the above-specified reporting system to include the standards in their national frameworks, for instance, in Sweden the mechanisms of the Swedish Government's legislation on Sustainability Reporting are applied.

### 2.3.2. Corporate Social Responsibility

Following the concept of ESG reporting, the focus is currently set on the governing part of this abbreviation. The concept of Corporate Social Responsibility (CSR) stems from the organisational culture theory and can be described as a corporate ethic strategy or an internal management system. CSR strategy is usually a voluntary framework; however, since this strategic initiative is usually perceived as the one contributing to a brand's reputation (Lefebvre, Johnson, Mao & Ganesh, 2019) rather many companies seek to adopt an adequate CSR reporting strategy. CSR initiatives promote the positive impact that companies create on the environment and other stakeholders, including customers, employees, investors, and communities (Farrington, Curran, Gori, O'Gorman, & Queenan, 2017).

The concept of corporate social responsibility has progressed and become an essential management component in a rather critical number of SMEs. CSR initiatives can be fully exercised in a company once its principles are efficiently integrated into the company's governance, management, and organisation structure (Gutterman, 2021). Therefore, for a business to become «sustainable», the sustainability principles (e.g. those formulated in the UN Agenda 2030) need internal integrating. Comprehensive sustainability management and control involves a framework that clarifies the objectives of an SME, determines the means of achieving those objectives, and tracking the results. This encompasses internal sustainability-related codes and policies (Gutterman, 2021). Currently, there are no universal «standards» for the contents of the CSR principles, variations are predicated on the size of an SME and its specialisation. Nevertheless, according to Gutterman (2021), there is a minimum of characteristics that are to be addressed, namely legal compliance, financial responsibility, workplace conditions and employee wellbeing, environmental policies, and human resources policies. In many cases, such codes will incorporate by referencing applicable regulations and instruments such as the principles of the United National Global Compact or ISO standards.

This paper discusses two types of characteristics in particular, which are namely quality management standards and environmental management standards, and slightly touches upon the third one which is social responsibility.

Management innovations matter because they are at the heart of the establishment of a coherent and well-functioning system, which subsequently ensures the performance of all the other objectives of the company. By providing their managers and workers with a structured organisation, companies clarify the internal processes, which leads to the right allocation of human resources. To confirm that idea, one can take a closer look at the past case of Japan and the US that were basically on the same level of technological development, however, a so-called Toyota Way, that advocates management decisions that are predicated on a long-term strategy rather than the short-term results (Gobble, 2018), ensured a more effective operational system that led to Toyota's competitive advantage and higher profits. In this dimension, the use of parents becomes highly applicable in innovation management. Each publication contains details, thus becomes a viable source of technological expertise. Such information provision creates a valuable database that can be used as a source of inspiration for future innovations (Trott, 2008).

A regulatory framework for environmental issues is inextricably related to a company's compliance and risk management (Gutterman, 2021). The development of an environmental policy should help balance the environmental concerns with the achievement of the company's corporate objectives. Such a policy can include an evaluation of the company's environmental impacts across all of its operations and those of its key supply chain partners.

In terms of social responsibility, it is usually determined in a CSR report by an enterprise. As a rule, such type of a policy should include the definition of the company's CSR approved by the boards, specify the statement of the essential commitments that the company sets with respect to social responsibility, and focus on concrete steps that will assist in fulfilling those commitments (Gutterman, 2021). This implies the responsibility of a company throughout the whole supply chain, which, for instance, includes implementation of processes that ensure that the production of goods and services created within this supply chain is harmonised with ethical and sustainable rules of the community that both consumes those goods and services and produce them (Bertels, Papania, Papania, 2010).

## 2.4. ISO management standards

In this paper, a more detailed description of characteristics that can be included in the managerial strategy, environmental policy, and social responsibility policy will be described in the part dedicated to ISO standard families. International Organization for Standardization (ISO), founded in 1947, is the organisation that presents the international standard scheme and promotes fair development (ISO, 2021). There are several standard groups established by the ISO, usually coded under a special number, e.g. ISO 9000 family, ISO14000 family, etc. It is of specific interest to take a closer look at ISO certification as it introduces universal certification systems, thus can be applied in various contexts and be useful both for SMEs and for policymakers as it establishes a scheme for interaction between those stakeholders.

To ensure that the adopted policies aimed at the promotion of the sustainability agenda work effectively, it is necessary for SMEs to establish certain procedures for reporting and verification, which will also be useful for the communication strategy both with clients and stakeholders. Nowadays, there is an increasing number of companies that embrace sustainability as their long-term objectives. Those companies realise that it is not only investors that pay attention to the reporting and assessment documentation but also more and more people around the world consider companies' environmental, social and governance (ESG) performance when consuming goods and services from a particular company (Gutterman, 2021). Such reporting documents are usually attested by the third party to provide unbiasedness. The reporting criteria are harmonised with the internationally recognised standards, which are, as mentioned previously, ISO standards.

There are different types of certifications that concentrate on the aspects of the sustainability agenda. Nevertheless, as mentioned previously, this paper focuses on three families of ISO standards, which are ISO 9000, ISO 14000 and ISO 26000. Some researchers suggest that the process of ISO certification is somewhat similar to a 'cascade effect' (Rothery, 1996). This cascade connects all the dots of a supply chain, thus, firms experience certain pressure from both C2B and B2B dimensions. The certifications promote the establishment of quality management systems, environmentally friendly production, and social responsibility management respectively, which acts in accordance with the sustainability agenda. The quality and environmental management standards, ISO 9000 and ISO 14000, are regarded as the world's first management system standards. In those standards, the establishment of quality management systems is promoted predicated on certain elements, among which are exact procedure specification, minimisation of waste, consistency of output, honest and correct descriptions, performance evaluation, the safety of workers, etc (Rothery, 1996). However, not only correct specification of internal processes is essential for a successful implementation of the management standards. Communication plays also a vital role. For instance, ISO 26000 emphasises the importance of a clear communication strategy that unites investors, producers, and consumers. There are specific elements of social responsibility reporting that are of significant importance, for example: providing full information on company's impact and their long-time effects; incentivising engagement of motivated employees to endorse the company's activities formulated in their CSR; developing a network with peer organisations that will stimulate further improvements and dissemination of further innovations within this network and can even result in spillovers (Gutterman, 2021).

The implementation of the management standards is to a certain extent similar and includes the following steps: learning the standards, assessing the current state of affairs, formulation of the proposal, obtaining the commitment, and outlining the action plan. All steps include specifications, e.g. for the second one it is important to keep in mind the fact that the standards documents are usually formulated rather general and in a legal manner, hence the reader must be able to relate those general formulations to the specific internal activities, especially before approaching the top managers and the board (Rothery, 1996).

Similar to ISO 9000, ISO 14000 is predicated on the notion that more efficient and less harmful environmental performance is feasible when all of the environmental aspects within a

company's production process are well-identified, organised, and managed. With the release of the ISO 14000 standard series, there were several attempts made by the business community to establish a universal standardisation system to manage different aspects of their supply chains efficiently, like eco-labeling (Poksinska, Dahlgaard, Eklund, 2003). It is of critical importance to highlight that ISO 14000 is not an environmental standards, but a management standard in the field of environmental performance, i.e. how companies manage their activities to minimise any negative impact their activities can have on environment. The essential environmental aspects are predicated on the core of the environmental management system and later on are integrated into the content of policy and objectives, the target of operational controls, measurement, auditing, and evaluation mechanisms (ISO, 1996). Thus, the ability to assess and track the environmental aspects of a company's activities would be provided by a well-structured and enacted environmental management system (EMS) standard (Ammenberg, 2001).

From the provided overview of the literature and the existing theories, it can be concluded that the main trigger for the management certification lies within the stakeholders' interest. Nevertheless, there is a certain gap in this sphere: do companies focus on certification just for the sake of being certified and to fulfil the demands of their stakeholders, or the management standards indeed promote competitiveness of firms in the market and by that incentive them to adopt more standards (e.g. starting with ISO 9000, then moving on to ISO 14000 and then adopting ISO 26000)? The goal of the paper is to investigate the motives of SMEs when those adopt the management standards, also known as integrated management standards (ISO 9000 and 14000) along with ISO 26000.

## 2.5. Chapter Summary and Conclusion

In this chapter, the author presents certain theories that describe how the concept of sustainable development is connected with organisational innovations and organisational theories. This close connection manifests in the societal paradigm change and results in new incentives for firms to adjust themselves in the market. The concepts of ESG and CSR are explained following the organisational theories and then the role of ISO management standards is discussed. All in all, ISO management standards ensure a certain form of accounting that becomes increasingly important for companies nowadays, as they seek to foster meaningful relations with their stakeholders and customers. This conclusion explains the very close interconnection between all the theoretical and practical concepts presented in this chapter.

## 3. Methodology

This chapter is dedicated to the methodology of the research. The purpose of the chosen research approach is justified by the research aim, objectives, and purposes. This chapter describes the research design and the data collection method. Moreover, the validity and reliability of the data are discussed and certain limitations are highlighted.

### 3.1. Research Design and Approach

The research is conducted in the form of a qualitative study. Such a method was chosen due to the specified research questions. As described by Creswell (2017), qualitative research problem is the «immature» concept that lacks proviso research. Following the literature overview, it was established that despite certain coverage of the topic in the academic literature, there are still certain research gaps that need to be filled in. Therefore, there is a strong need to explore and develop the existing phenomenon of ISO standardisation effects in a more detailed way following the notion of the world's new agenda of sustainability.

To avoid any possible skepticism in regard to the chosen method, e.g. creative theorizing on the basis of rather thin evidence, it is crucial to highlight that qualitative research methods help with the construction of new knowledge as they develop newly discovered phenomena or corset new ones by adding pieces of the existing concepts (Gioia, Corley & Hamilton, 2013). Therefore, this research is based on the constructivist approach to the reality that can be understood as such an approach to learning the posits that people are actively engaged in construct or creation of their own knowledge and that «the reality is determined by the experiences of the learner» (Elliott et al., 2000, p.256). All in all, this study is aimed at expanding the existing knowledge concepts in regard to ISO management system standards and add some new elements to that knowledge.

Since the standardisation and CSR literature has been developing over the past 20 years, the reader should not expect a finalised study with robust conclusions. On the contrary, this study should be regarded as a small piece of new analysis that adds up to the existing scope of research and suggests a new dimension for further studies, namely close interdependence of ISO management standard and social responsibility of companies, where both are aimed at further promoting the paradigm of sustainable development.

### 3.2. Data Collection Method

For the data collection, the method of semi-structured interviews was applied. This method ensures «both retrospective and real-time accounts by those people experiencing the

phenomenon of theoretical interest» (Gioia, Corley & Hamilton, 2013, p. 7). This method ensures that studying the approached phenomenon becomes engaging both for researchers and informants who provide qualitative data because the interviewer may not strictly follow a formalised list of questions and may ask more open-ended questions, which allows for semi-structured discussion rather than a straightforward question-answer discussion. Such a method allows for additional details and is rather helpful in terms of the knowledge construction described in the section above.

Before proceeding to the open-ended data collected during the interviews, the author should clarify the approach of how interviewees were chosen and how questions were elaborated.

When reviewing the literature, the author discovered a paper «Implementing ISO 14000 in Sweden: motives, benefits, and comparisons with ISO 9000» Poksinska, Dahlgaard and Eklund dating from 2003. In the paper, the authors conducted a mixed analysis by sending out questionnaires to Swedish companies. The companies were found in the Swedish ISO 9000/14000 database. Based on the existing evidence, the author of this paper decided to keep the focus on Sweden. When searching for that Swedish ISO 9000/14000 database, it was discovered that it does not exist anymore. The author was advised to contact two agencies: SWEDAC and Swedish Institute for Standards (SIS). The first one is Sweden's national accreditation body that coordinates Swedish market control for quality and safety (SWEDAC, 2021). The latter one, SIS, participates in ISO, provides consulting and educational services to ensure that stakeholders formulate the best practices that promote Sweden's competitiveness and a smart, sustainable society (SIS, 2021). Both agencies recommended using the following database: [www.certifiering.nu](http://www.certifiering.nu). For the companies sampling the following criteria were applied:

1. It is a small or medium-sized company, i.e. 1-199 employees;
2. A chosen company has both ISO 9001:2015 and ISO 14001:2015. ISO 9001 falls within the ISO 9000 family, the same applies to ISO 14001:2015 in regard to ISO 140000.
3. A chosen company should be accessible by email.

After having studied the database, 15 companies were chosen for the interviews. In order to avoid any partiality, every third company (one the criteria were applied) was chosen. Those companies were invited to participate in the interviews. Only three responses were received. Although there was little response (this provision is described more specifically in the «limitations» section), it was decided to pursue the chosen strategy and conduct interviews with these companies.

Therefore, the interviews were conducted with three companies, two of which represent the tertiary sector and one operates within the manufacturing sector. More information on companies can be found in the Appendix; however, in accordance with privacy guidelines, no titles or names are disclosed. The interviews were conducted with the representatives from the boards as successful implementation of the management standards is conditional on whether there are steps to be taken by directors and executives to ensure the creation and implementation of appropriate strategies.

The interviews were carried out in Zoom and took approximately 30 minutes each. The participants gave their oral consent to be recorded for further data processing. The participant agreed to become a part of the research on the condition of full anonymity, therefore, no personal or companies' names are mentioned in the paper. However, it is possible to find a shortened description of the engaged companies in the Appendix.

Since the interviews were semi-structured, a number of questions was prepared in advance. The questions were created in such a way so that the gathered information would help answer the research questions mentioned in the introduction section. The questions were as follows:

1. *When did your company adopt ISO 9001 and ISO 14001?*
2. *What were the reasons for implementing those standards? Please, name several reasons, elaborate on them, give examples, and then choose the most important one.*
3. *If ISO 14001 was implemented later than ISO 9001, has your experience with ISO 9001 had any impact on your deciding in regard to ISO 14001?*
4. *What benefits have the adaptation of ISO 9001 and ISO 14001 brought to your company? Please, name several ones and then choose the most important one for you (i.e. better performance of your company, improved relations with your customers or with the authorities, etc)*
5. *Does your company have CSR reporting practice? If yes, in what form?*
6. *Amid your experience with ISO 9001 and ISO 14001, have you ever thought of implementing ISO 26000? Why? Why not?*

Additional clarification questions focused on the details of ISO standards implementation, i.e. duration, difficulties, usage of consulting services, etc.

Once the interviews were conducted and data were collected, all informants expressed their willingness to assist in research in the future and to that end highlighted that they can be approached later on for additional questions via email.

### 3.3. Data Analysis

Since the interviews were recorded, most of the data data was collected in the audio format. The author took additional notes while the interviews were made in order to facilitate the future structuring of the collected data and its coding.

For data analysis, the strategy of data coding was applied which is mostly used for open-ended, free-text materials. The strategy of the thematic analysis method was implemented as a part of qualitative data analysis. Words and phrases that represent important and often recurring themes in each response were manually labeled and then structured in accordance with how often they were encountered. The method of deductive coding was used because

certain motivations and effects of ISO standard implementation have already been brought up before by other scholars, thus the author predicated her coding strategy on the motivations that have been already highlighted in the academic literature (see the «Literature» section).

Once data was coded, the author started with categorisation. A flat coding frame was implemented as all motivations and effects behind ISO standard implementation stand on the positions in the hierarchal structure. Nevertheless, the author stayed flexible and when some examples or additional information that falls out of the flat coding frame was introduced by the interviewees, the author managed to adjust the above-mentioned coding frame and add some hierarchical elements. Here are some examples of data labelling: *improved corporate image*, *improved relations with authorities*, *decreased environmental impact*, etc. Further description of data analysis outcomes is presented in the fourth chapter.

### 3.4. Validity and Reliability

The validity of the data explains whether the collected data is relevant for the actual area of investigation (Ghauri and Gronhaug, 2005). According to Taherdoost (2016), there are certain types of data validity, namely face validity, content validity, and reliability. In terms of face validity, researchers' subjective assessments of the presentation and relevance of the measuring instrument, the chosen form of semi-structured interviews appears to be very relevant as it allows for expanding the construct of the existing knowledge because questions can be rearranged during the interview depending on the general flow of the interviewee's answer and additional detailed questions can be asked.

From the point of content validity, the created questions included in the semi-structured interviews fully represented the aim of the research questions. Thus the applied method of data collection is also valid from the content perspective.

In regard to reliability that measures the phenomenon in a stable and consistent way and is intertwined with repeatability (Carmines and Zeller, 1979; Taherdoost, 2016), the certain drawbacks of the data can be highlighted. First of all, out of 15 companies, only 3 responded and agreed to participate in the academic research. That is only 20% of the wished participation, hence, it is rather difficult to make robust generalisations that can be applied to the whole market share of SMEs in Sweden. In order to fix this issue, further research is to be conducted with a wider engagement of Swedish SMEs. There might be an option of engaging SMEs from abroad as well. The reliability of the present research can be regarded as rather low. Nevertheless, as Taherdoost (2016) posits that although reliability is crucial, it is insufficient unless it is combined with validity, hence both components need to be followed. Therefore, despite the low reliability of the research (with a provided solution for its eradication), this applied method is rather valid, thus can be extended to a greater scale and produce more reliable results.

### 3.5. Limitations

No study is flawless, no data is perfectly collected. Any research, especially if conducted by using qualitative methods, should be critically assessed by its authors. This especially implied if the author is using a constructivist approach in order to add certain objectivity to the analysis. Therefore, there are overtly certain limitations that the above-specified method of analysis has. Some limitations have been already described in the previous paragraph dedicated to the data reliability and are connected with a modest percentage of the interview participants. Nevertheless, this can be solved with the list expansion and inclusion of new companies. Unfortunately, time constraints have become decisive in the case of this thesis.

Another limitation is connected with the geographical scope. Only Swedish SMEs have been taken into account, while the very notion of ISO standard implementation implies its international nature.

An additional limitation is embedded in the coding approach used for data analysis. Deductive coding includes bias as the predefined codes influence the data interpretation. By focusing too much on certain aspects of the answers, some other important themes may be missed out.

### 3.6. Chapter Summary

The chapter describes the methodology for data collection and analysis. Qualitative approach amid the constructivist approach to the reality that can be understood as an approach to learning where people are actively engaged in construct or creation of their own knowledge. In order to answer the research questions, it was decided to conduct semi-structured interviews with the representatives of a number of Swedish SMEs. When data was gathered, the strategy of thematic analysis method was implemented. The data was coded and analysed in accordance with the created labels. There are certain flaws of the data, namely low reliability, time and geography constraints as well as specific disadvantages of the deductive coding method.

## 4. Analysis and Discussion

This chapter will present the main findings that predicate on the three semi-structured interviews conducted within the last week of April and the first week of May 2021. The structure of this chapter will be the following: first, the author will evaluate the results of the interviews and then will present certain conclusions. A generalised description of the companies can be found in the Appendix (Table A).

### 4.1. Interview evaluation

As described previously, three semi-interviews were conducted in order to collect the necessary data. All three interviews were 30 minutes long and representatives of the companies' leadership took part. In the analysis, the author will present certain quotes to substantiate her conclusions based on the collected data.

The CEO of *Company A* emphasised that the process of certification was intended by its predecessors and initiated by the leadership of the whole company (Company A is a division of a bigger corporate structure) due to the official requirement stated by the Arbetsförmedlingen which is a Swedish government agency organised under the Ministry of Employment mainly responsible for the public employment service in Sweden and the implementation of labour market policies (Arbetsförmedlingen, 2021). According to the representative of Company A,

*«we also present reporting document to Arbetsförmedlingen, and to be able to do it we have to show that we are working with some kind of a quality system. It does not have to be a certified one, but I think my colleagues just wanted a little stamp «we are certified.»*

Therefore, among the main drivers for implementation, the pressure from authorities can be regarded as the main one in terms of quality management standards.

The process of certification turned out to be a complicated one, therefore, Company A hired a consultant. The difficulty was connected with the difference in requirement depending on sectors of the economy:

*«it was also quite tough, ISO 9001 at that time was more into the industrial way of doing things, like how to improve a certain product. But we are not doing products, we are doing services. So the consultant had a difficult time getting used to our way of thinking of quality.»*

However, the acquisition of ISO 14001 certification happened later and Company A's leadership was already acquainted with the rules of the procedure, so the process went much smoother. In the case of ISO 14001, the initiative came from the bottom, i.e. it was the

company's employees who suggested that Company A should undergo the process of certification:

*«it [the certification process] was not that much difficult because we already had routines and a set-up for it. Our employees wanted the organisation to move in a more sustainable way. This was the way to get us to talk about environmental concerns within the company. It's been really helpful and we can see that the staff was much more enthusiastic about ISO 14001 than ISO 9001 because it is something that you can actually relate to.»*

Some examples of how employees could feel related are decreased mileage when traveling to work, usage of solar panels for substitution of energy sources. Those were the main incentives that motivated the leadership of Company A to undergo the certification process and get certified in accordance with ISO 9001 and ISO 14001 management standards.

In terms of the benefits that Company A has achieved following the certification acquisition, several details are to be highlighted. According to the information provided by Company A, ISO 9001 helped them structure internal systems:

*«they [older employees] needed to put down their routines, formulate everything clearly in words so that we could convert it all in a kind of a systematic thinking and I could provide newcomers with the new information.»*

Moreover, this structured approach has implicitly resulted in a better external performance: the company's performance in Net Promoter Score (NPS) has increased. It is a single, marketing metric that predicts overall company growth and customer lifetime satisfaction with a company's performance (Bain&Company, 2021). Naturally, this increase cannot be attributed only to ISO standards; however, a better internal performance that was enhanced due to a more structured management approach could have become one of the triggers for a better score in NPS.

Another significant benefit specified by the CEO of Company A is connected with authorities' relations and funding:

*«If we are not certified, if they do not see that we are working with environmental standards, we will not get any money. It is very important.»*

However, one important comment was made:

*«But they never ask how well we perform.»*

And this has two sides. On the one hand, this shows that there is trust among the actors: companies get certified because authorities ask and because there is a real understanding of how those certifications will result in a better long-term development for all the members of the society. However, on the other hand, such reluctance to check on a company's performance after certification processes can result in green-washing. Companies will get certified for the sake of certification but not for the real improvements both in terms of internal and external performances. Nevertheless, according to Company A representative,

they have indeed achieved significant results, for instance, in their environmental impact performance:

*«we decreased the number of the carbon dioxide equivalent by 38%. For instance, for food we stopped using plastic, so we use glass and paper only, we do not drive as much as we used to. We use locations that are closer to our clients so that they can reach us by walking. We use green sources of electricity. We raise the awareness of our staff and they also feel proud that they work for an organisation that has environmental concerns.»*

In terms of social responsibility standards, Company A yet appears to be unsure whether it needs to undergo any certification procedure. The main reason for it is that this company represents a non-profit sector:

*«this means we are neither in the commercial, nor the public sector. This sector is where you find organisations that the other two sectors seek contact with in their work with CSR.»*

For the future Company A has not considered using any CSR reporting form yet; however, this might change over the time.

Proceeding to **Company B**, the main incentive for ISO 9001 and ISO 14001 adoption as specified by its representative were the relations within B2B scope:

*«As we are working with the supply chains, our clients wanted to show that throughout the whole process they are supporting the principles of suitability, so we had to adapt.»*

Nevertheless, the quality management standard helped to facilitate internal working processes:

*«Our employees now know whom to approach if something is not right, our internal processes have become way smoother.»*

Moreover, in the connection with ISO 14001, it was specified that the experience with ISO 9001 has made it more feasible to adopt other standards as the company's members were already acquainted with the certification process:

*«We have had already practice with the management standards, the only problem was the lack of knowledge as regard environment management, so we had to invite a consultant.»*

This signalises that, as in the case with Company A, ISO management standards are sometimes difficult to comprehend and companies' representatives have to ask for additional help and spend additional funds, which in general might slow down the process of certification acquisition. Additionally, the bottom-up will of employees from Company B has been specified as an incentive for ISO 14001 certificate adoption:

*«Our workers wanted to reduce their environmental impact, so we decided that it would be nice to do it in a systematical way, that is how we started with ISO 14001. It helped us undergo all stages of environmental management in a very structured way. We just took the document and crossed out one by one what we have done and what we need to do.»*

In terms of the incentives of environmental management standard the following aspect was emphasised:

*«As our employees are very concerned about the impact they create, they feel very glad to be working at a company that follows environmental regulations and wants to decreased the negative impact it creates.»*

Thus, the bottom-up willingness to become more environmentally friendly can be specified as one of the main triggers for EMS adaptation.

Among the main benefits of ISO IMS adaptation, the following were specified:

*«We got the stamp that we are certified. It is a small stamp but it assists a lot in the creation of our corporate image: now we do not need to prove every time in our reports that we are following environmental standards and that we support sustainability agenda»,*

hence, improvements in corporate image and facilitated B2B relations were highlighted. What is more, improved internal structures were mentioned:

*«Since it has become much clearer for our workers how their routines are organised, we have been experiencing increased efficiency in our internal performance: many workers stopped approaching the leadership to ask every question and know which digital toolkit they can apply to find the right answer.»*

In terms of the effects of the environmental management standard, the following benefit was emphasised:

*«Our employees feel glad to be working at a company that is concerned with its environmental impact. This results in improved internal relations and better corporate culture.»*

Finally, when the representative of Company B asked about their CSR reporting practice, the following information could be extracted:

*«Currently, we do not have any CSR reporting practice; however, we realise that it is a new imperative. We have never heard of ISO 26000 before you told us, but we have heard of B Corporation certification. I assume that we will have to approach some consulting agency to get help with this aspect, got now it all looks very unclear.»*

Therefore, although social responsibility is a widely spread aspect in business-related issues, there are still some doubts as to what certification can be used to this end, how it would be the best to organise a CSR reporting.

Another interviewed company is **Company C** that comes from a different sector of economy than the previous two companies and deals with constructing works. Among the main drivers of the certification process. the company's representative highlighted external pressure and internal concerns as the main ones:

*«The Swedish regulation makes us do accounting in the sphere of management systems, so we decide to adopt ISO 9001 as other divisions of our company in other Swedish cities did it some years earlier than we did. As for ISO 14001, we know that our industry is polluting a lot, so we wanted to decrease our polluting impact. ISO 14001 has helped us structure our knowledge on environmental management procedures.»*

Among the specified problems, the complexity of ISO standards and the long duration of certification adoption:

*«Unfortunately, we lack experience in management certification, so we had to get some help. The consultants that worked with us both times had some difficult times explaining what we were required to do. Because of those issues with complexity, the whole certification process took us much longer than we expected. Moreover, we had to ensure that we cooperate with the partners who work with environmental standards, so looking for those partners took a longer time as we had to evaluate their activities, so this process was really really long.»*

Moreover, the representative of Company C talked about the additional spendings:

*«The invitation of consultants costs money, let alone ISO texts are also not provided for free. It feels a bit weird that you want to do a good thing but then you are the one who is constantly charged. We realise that people who work on the standards also need to get paid, but I think some assistance in standard implementation could have been offered for free.»*

So additional spendings are also regarded as an impediment to a successful standard implementation.

Among the main benefits, Company C specified the following achievements:

*«Reporting has become much easier. Now we know what to put where.»*

This signals that the mentioned certification families helped Company C make their reporting practices more structured.

*«We are certified now, which means we can use this fact in our reports that are accessible for both authorities, corporate clients, and common people. This improves our image in the market. We can say: «Look, we are working towards being an environmentally friendly company!»*

So improved relations with authorities and clients are regarded as the most important ones. Another interesting mention in this regard was that Company C has been working more closely with other industrial companies from its sector that have also adopted ISO 14001, which creates a certain sense of belonging.

In regard to social responsibility, Company C does not have a single reporting framework and has not yet considered implementing one; however, as they are working in the construction field, they highlighted that there are various social housing projects that they had conducted before. They expressed their interest in additional information on this issue and asked to keep

in touch with the author of the paper to get more insights on the field of CSR reporting practices.

## 4.2. Summarised Conclusions

The analysis of the qualitative data collected in the form of semi-structured interviews can be summarised as follows. The most frequently described incentives for ISO certification adaptation are presented in Table 1 below.

*Table 1. The most frequently mentioned incentives for ISO management certifications*

<b>Incentive</b>	<b>Company A</b>	<b>Company B</b>	<b>Company C</b>
Pressure from authorities	Yes	Yes	Yes
Environmental concerns of employees	Yes	Yes	Yes
To improve internal performance	Yes	Yes	No
To improve relations with corporate clients	No	Yes	Yes
Certain experience with the ISO certifications	Yes	Yes	No

Therefore, following the results of the table, the author can say that external pressure has the most significance when it comes to companies' motivation to undergo the certification process. This can be easily explained by the theoretical concepts presented earlier in the literature overview section, namely companies turn out to be rather susceptible to the external environment and changes in it. As described previously in the framework of the institutional theory and the legitimacy theory, firms have to follow the adjustments in the external environment and adapt their practices to the interests and concerns expressed by their stakeholders. In this regard, it is essential to mention that amid certain ambiguity of the social responsibility reporting practices, it is crucial that authorities become more assertive and adopt obligatory social responsibility reporting framework. The additional conclusion can be the following: organisational culture within companies becomes an increasingly important factor. First, any company starts with QMS system and then with its employees seeing the successful results and having certain concerns framed by the changing social paradigms, namely societal willingness to set its development on the sustainable path, this company has to implement further certifications to meet its employees' expectation in regard to what kind of impact the company they are working at creates. Moreover, certification systems help

structure the internal procedures, bringing more transparency both for external stakeholders and internal employees. What is more, success with one ISO standard incentives companies to undergo new certification procedures, thus, clear language, achievable implementation goals, and clear accounting procedures would result in even higher interest for those management systems, which would be beneficial both for ISO, authorities, companies, and their clients.

The three main problems identified by the informants are ISO language complexity, need for additional spendings, and duration. The first two are closely connected as because of the mentioned complexity of formulations used in the ISO texts, companies have to appeal to external help and hire consultants, therefore, companies have to pay to receive the certification texts and additionally pay to the consulting agencies, which puts an additional financial burden on the corporate shoulders.

The main benefits identified as the result of the interviews are presented in Table 2 below:

*Table 2. Benefits of ISO management systems implementation*

<b>Incentive</b>	<b>Company A</b>	<b>Company B</b>	<b>Company C</b>
Improved internal performance	Yes	Yes	Yes
Improved corporate image	Yes	Yes	Yes
Improved relations with authorities, funding issues	Yes	Not applicable	Not mentioned
Improve relations with corporate clients	Not applicable	Yes	Yes
Lowered environmental impact	Yes	Yes	Yes

From this table, the author can conclude that companies indeed connected the improvements in their performance, especially the internal one, with the fact of being certified in accordance with ISO management standards. Nevertheless, one important fact is to be highlighted: quite often firms undergo certification procedures for the sake of a so-called «ISO certified» stamp, which to a certain degree can be regarded as a form of green-washing (in the case of ISO 14001 for example). Therefore, it is highly important that clear accounting mechanisms are used by the external stakeholders so that firms keep updating their certificates and do it with the aim of showing their commitment to the existing trends in the society, namely enhancing environmental and social responsibility of all actors.

To conclude, this chapter presents a thorough analysis of the collected data. In the first subsection, the reader can find the specific quotes that were captured during the data

collection. This will allow the reader to evaluate the information collected and, on the basis of the conclusions suggested by the author, form their own view of the information collected. The second section presents summarised structured conclusions and additional evaluations suggested by the author on the basis of theoretical overview and the collected information from the field.

## 5. Conclusion

The conclusive part of the paper presents the final conclusions in regard to the specified aim, objectives and research questions stated in the introduction part. The author has fully fulfilled the aim and objectives of the research, and has answered the specified research questions based on the collected data and its analysis.

### 5.1. Research Aim and Objectives

As stated in the introduction, the research aimed was specified as follows: to fill in the research gap specified above, namely by assess the ISO standard families on the pretext of the sustainable development agenda and take a closer look at the effects of ISO certifications on the performance of SMEs in the context of the sustainable development agenda. The approached ISO standard families, ISO 9000, ISO 14000, and ISO 26000, present different dimensions of the internal management systems in the context of sustainable agenda: economic, ecological, and social development. Thus, by adding the social dimension to the previous analysis of ISO standard families and connecting those standard families to the concept of organisational innovation and various organisational theories, the author has provided a rather comprehensive analysis of the interconnectedness of previously mentioned theoretical concepts and practical side of standard implementation, thus, the research aim has been successfully fulfilled.

Resulting from the fulfilment of the research aim, the objectives, which were sated as follows:

- to analyse the ISO standards connection with the sustainable development agenda based on the overview of the academic literature;
- to collect empirical data in the form of interviews and data coding in order to specify the effects of ISO standards implementation;
- to summarise the data analysis outcomes;
- predicating on the analysed outcomes, to present a more detailed understanding of the ISO standards' effect on SMEs' performance

were also successfully carried out which can be seen in the paper chapters, namely the first research objective corresponds to Chapter 2, the second, thirds and fourth research objectives are fulfilled in Chapters 3 and 4.

## 5.2. Research Questions

After conducting the whole research, the above-stated research questions can be answered in the following way:

*1. What are the effects that companies experience after the adoption of ISO quality management standards?*

The main effects are connected with the improved relations with authorities, improved and more structured internal operational routines that implicitly result in improved external performance, improved corporate image that is to be connected with another improvement in the field of relations: companies improve their relations in the scope of B2B and B2C relations. Moreover, as to their environmental impact, firms posit that after acquiring EMS their negative impact has indeed decreased.

*2. How is experience with one management standard related to the adoption of other standards?*

If a company has a positive experience with the implementation of one ISO management standard, its leadership and employees will be more prone to continue the further implementation of other related standards. However, positive experience in this regard was not specified by the companies' representatives as the main driver. Companies in general appear to be rather susceptible to external environment and changes in it. As described previously in the framework of the institutional theory and the legitimacy theory, firms have to follow the adjustments in the external environment and adapt their practices to the interests and concerns expressed by their stakeholders. In this regard it is essential to mention that amid certain ambiguity of the social responsibility reporting practices, it is crucial that authorities become more assertive and adopt obligatory social responsibility reporting framework to ensure that practices with ISO standard implementation continue and the social aspect is not disregarded.

## 5.3. Practical Implications

This paper presents practical implications for different interests. If an academic field is considered, it is vital to analyse the standardisation procedures from the comprehensive point of sustainability and do not leave out the social responsibility of enterprises. Unfortunately, the social aspect, being a part of a non-financial reporting, is usually perceived as a voluntary one. Hopefully, the author has managed to show why it is vital to assess ISO standard families from all the dimensions of the sustainability agenda.

In regard to the business sector, this paper appears to be an excellent source for ideas as for standardisation and CSR reporting practices. Companies can assess the success of their partners and draw some inspiration as to which sources to use to establish solid ESG and CSR reporting practices.

For the public sector, this paper suggests some specific actions regarding the approach to use in order to make social reporting an integral part of the new world paradigm where development is assessed not only according to its economic value but also from the point of responsible and equitable social progress.

## 5.4. Future Research

As specified previously, further research is highly recommended. Due to certain limitations of the study, additional collection of data is needed to be able to spread the conclusions on a broader group of economic agents. Additionally, it is especially recommended to take a closer look at other reporting practices outside the scope of ISO standard families. The focus on the ISO practices was chosen not because this system is regarded as the most efficient one, but because this practice is more widely applied for reporting on the global scale. Nevertheless, the emerging initiatives within ESG and CSR reporting have their potential and should not be left without proper attention. As it was specified in the limitations of the analysis, time constraints have had strong impact on data collection and further literature analysis, therefore, by having additional time more progress can be made to enhance the potential of this research for practical implementation. Another suggestion for future analysis would be to join some standardisation agency and study the phenomenon discussed in the paper from the practical point of view, which will only enhance the theoretical aspect of the paper and strengthen its practical potential.

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# Appendix

*Table A. Companies' description*

<b>Company's name (coded)</b>	<b>Sector</b>	<b>Profit/ Non-profit</b>	<b>General description of activities</b>	<b>Corporate structure</b>
Company A	Tertiary sector	Non-profit	Educational services	Devision
Company B	Tertiary sector	Profit	Supply chain management	Independent
Company C	Secondary sector	Profit	Construction and maintenance of facilities	Devision