sustainability

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Signalling Responsibility? Applying Signalling Theory to the ISO 26000 Standard for Social Responsibility

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Received: 17 September 2018; Accepted: 8 November 2018; Published: 13 November 2018

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Abstract: Many global challenges cannot be addressed by one single actor alone. Achieving sustainability requires governance by state and non-state market actors to jointly realise public values and corporate goals. As a form of public–private governance, voluntary standards involving governments, non-governmental organisations and companies have gained much traction in recent years and have been in the limelight of public authorities and policymakers. From a firm perspective, sustainability standards can be a way to demonstrate that they engage in corporate social responsibility (CSR) in a credible way. To capitalise on their CSR activities, firms need to ensure their stakeholders are able to recognise and assess their CSR quality. However, because the relative observability of CSR is low and since CSR is a contested concept, information asymmetries in firm–stakeholder relationships arise. Adopting CSR standards and using these as signalling devices is a strategy for firms to reduce these information asymmetries, by revealing their true CSR quality. Against this background, this article investigates the voluntary ISO 26000 standard for social responsibility as a form of public-private governance and contends that, despite its objectives, this standard suffers from severe signalling problems. Applying signalling theory to the ISO 26000 standard, this article takes a critical stance towards this standard and argues that firms adhering to this standard may actually emit signals that compromise rather than enhance stakeholders' ability to identify and interpret firms' underlying CSR quality. Consequently, the article discusses the findings in the context of public-private governance, suggests a specification of signalling theory and identifies avenues for future research.

Keywords: corporate social responsibility; signalling theory; information asymmetry; ISO 26000; sustainability standards; private governance; public-private governance

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1. Introduction

Whether it is on a local, national or global level, achieving sustainability requires governance by state and non-state market actors. In fact, scholars, policymakers and business leaders have recognised that, as forms of "governance beyond government", private governance and public-private governance are key for effectively dealing with some of the most pressing social and ecological challenges, such as combatting climate, eradicating poverty and deforestation [1]. In this context, corporate social responsibility (CSR) initiatives taken by firms, including codes of conduct, sustainability reporting, and the adoption of voluntary standards in the social and ecological domain, can be seen as a manifestation of private governance. In efforts to jointly realise public values and corporate goals, voluntary CSR and sustainability standards involving governments, non-governmental organisations and companies have emerged as a promising form of public-private governance. The uptake of these forms of public-private governance has gained much traction in recent years and has increasingly received recognition from public authorities and policymakers. As a result, public-private governance has become an integral part of the repertoire of policy arrangements [2–4].

In addition to contributing to societal goals, firms seek to realise financial and economic value from their CSR activities. To capitalise on their efforts, firms need to ensure their stakeholders are able to recognise and assess their "CSR quality", understood as a firm's CSR commitments, actions and performance. Firms encounter at least two problems here. First, the relative observability of an organisation's CSR quality is generally low due its dominant orientation on internal processes [5–8]. Second, the essentially-contested nature of the CSR concept implies that firms need to develop idiosyncratic interpretations of CSR, based on their respective characteristics and contexts [9–11]. The co-existence of many firm-specific meanings attributed to CSR may compromise stakeholders' ability to gauge these interpretations.

These problems cause information asymmetries in firm-stakeholder relationships. To reduce information asymmetries, firms pursue sensegiving and sensemaking communication strategies using a variety of media and messages to reveal their true CSR quality [12,13]. However, research indicates that a majority of stakeholders appears to believe firms do not communicate about CSR honestly [14] and demonstrations of symbolic CSR implementation and corporate misconduct have raised concerns about firms' credibility [15,16].

1.1. Sustainability Standards

Efficacious signalling of CSR quality thus is a key challenge for firms. As a manifestation of private governance in the context of public goals, voluntary sustainability standards [2,17] represent a way for firms to demonstrate that they engage in CSR in a credible way. Defined by Rasche ([18], p. 263) as "*predefined rules and procedures for organizational behavior with regard to (. . .) issues that are usually not required by law*", CSR standards in this context not only have a function in disciplining firm behaviour, but also function as a signalling device.

Being a prominent example of a voluntary corporate sustainability standard, the ISO 26000 standard for social responsibility covers subjects across the entire CSR domain, providing guidance instead of being a certifiable management systems standard that contains requirements and propagates a dominantly moral rather than strategic perspective on CSR [3,19]. As such, it represents an innovation in standards development [20,21]. ISO 26000 is the result of a global stakeholder-inclusive development process that took place under the auspice of the International Organisation for Standardisation (ISO), providing the standard with a high level of legitimacy [19,22,23]. Various reports [24–27] show that ISO 26000 has become a commonly used standard by companies worldwide and that the interest for adhering to the standard is steadily growing. In addition, ISO standards are an integral part of public policy in both environmental and social domains and are, for instance, used in public procurement processes and applied to stimulate effective sustainability governance in international trade [28].

However, despite these positive signs several characteristics of ISO 26000 may cause it to suffer from severe signalling problems. Firms adhering to the standard could consequently well emit signals that compromise rather than enhance stakeholders' ability to identify and interpret firms' underlying CSR quality and thus may engage in adverse CSR communication that maintains information asymmetries. This article investigates this proposition by examining literature on CSR standards, ISO 26000 and developments in the practical realm of the standard through the lens of signalling theory (ST). Focusing on firm behaviour, CSR communication, firm-stakeholder interaction and information asymmetries, the framework of ST allows for a relevant and critical examination of ISO 26000 that relates to (potential) problems associated with this standard. Taking a critical stance, this article develops arguments based on the type of standard ISO 26000 represents, its contents and developments in the CSR standards environment that have followed since its publication.

1.2. Academic and Practical Contribution

This article aims to make an academic contribution in several ways. Its main contribution is that it provides one of the few empirical applications of ST in the context of CSR, answering the call of Connelly et al. [29] to tap ST's potential in the field of sustainability and to explore further specifications of ST. Against the background that ISO standards are a "coagulated" manifestation of public-private governance, the analysis may also offer novel insights for the field of public-private governance. Notably, ISO 26000 makes a particularly interesting case for analysis since it differs significantly from other instruments in the public-private governance realm, including reporting standards, certification schemes, labelling and roundtables. In addition, focussing on ST provides an additional lens to examine CSR (communications) beyond the commonly used lenses of legitimacy theory, institutional theory, stakeholder theory and accountability [30]. Finally, while others have examined ISO 26000 from the perspective of developing it as a guidance or certifiable standard [31] and have hinted on signalling aspects of the standard [20], this article is the first to assess ISO 26000 from the perspective of ST. In addition, in addition, applying ST to ISO 26000 gives rise to a further specification of theoretical concepts within the ST framework for analysing patterns of CSR communication.

Practical relevance of this article lies in the implications of analysing ISO 26000 as a problematic signal for firms that want to demonstrate their CSR quality to secure legitimacy through the standard or which are requiring ISO 26000 adherence from suppliers and subcontractors. The analysis points at the necessity of using additional signalling strategies for ISO 26000-adhering firms, contains advice to standardisation and certification organisations that aim to design efficacious CSR standards, and provides suggestions for policy makers that want to encourage corporate transparency on CSR.

The article starts by discussing ST's theoretical basis, distinguishing between two central types of information asymmetry. Next, it provides an account of ISO 26000, including its main characteristics and consequences in the CSR standards environment. It then turns to analysing ISO 26000 with ST concepts. Finally, the article reflects on the analysis and suggests both a specification of ST and avenues for future research.

2. Signalling Theory: Focus and Key Concepts

Sprouted from the work of Akerlof [32], Spence [33], and Stiglitz [34], ST relates to a substantial body of academic work in economical contract theory focusing on information asymmetries between multiple entities, such as individuals or organisations. In particular, ST is concerned with how one entity—the agent or insider—may undertake actions to signal its underlying quality to reduce information asymmetries. This underlying quality is often hard to observe or unobservable to another entity—the principal or outsider [29]. ST therefore revolves around "*problems of social selection under conditions of imperfect information*" ([29], p. 63).

Signals can be defined as snapshots pointing to unobservable signaller qualities at a given point in time [35]. They constitute messages or images communicated from one entity to another. Quality refers to attributes or abilities of the signaller to fulfil the needs or demands of an outsider observing the signal [29].

A central assumption behind ST is that the entity that does not have certain information at its disposal is usually willing to pay a(n) (in)tangible premium to the entity that reveals its attributes through signals. ST essentially formulates propositions about strategies for (in)action in the context of costs and benefits under different levels of opacity or transparency, on the side of both the signaller and the signal receiver. ST suggests that firms provide information that could be used by individuals or constituent groups that are seeking to form impressions about the firm, its values and its overall future direction [36]. It primarily addresses "*the deliberate communication of positive information in an effort to convey positive organizational attributes*" ([29], p. 44) that represent imperceptible underlying qualities and can be a powerful explanation for the conduct of firms and their constituents and their patterns of interaction.

2.1. ST concepts

In their review of ST, Connelly et al. [29] distilled several key theoretical concepts. These include: (1) signals of quality and intent; (2) the efficacy of signalling by high-quality and low-quality firms; (3) signal honesty and signal fi; and (4) signal frequency and consistency.

Signals of quality and intent. In ST, a basic distinction is made between information signalling the quality and intent of an organisation. Signals of quality relate to the communication of a certain organisational characteristic in order to obtain legitimacy with signal receivers (e.g., CSR quality). Signals of intent "*indicate future action, possibly conditional on the receiver's response*" ([29], p. 60). Through these signals, firms inform stakeholders about their aspirations or resolutions.

Efficacy of signalling by high-quality and low-quality firms. Though important, the fact that a signal is observable is not a sufficient condition for it to be efficacious. Connelly et al. [29] wrote that signals need to have the characteristic of being costly as well. Signals that incur costs from signallers show that some signallers may be better able to absorb the associated costs than others. Some firms may pursue social initiatives even if they imply economic losses [37,38]. The signal may hence send the message that the signaller be perceived as more credible or honest in its claim to possess a certain quality.

Signal honesty and signal fit. Signal honesty relates to the coupling of formal plans and subsequent actions and is defined as "*the extent to which the signaller actually has the underlying quality associated with the signal*" ([29], p. 45), bearing some similarity to the previously addressed distinction between signal intent and signal quality. Signal fit can be defined as the degree to which a signal correlates with the unobservable quality of the signaller. This notion implies that situations may occur in which a signaller sends out signals that do not correlate well with the signaller's unobservable quality [39,40]. In the context of CSR, such misalignment is usually perceived as greenwashing [41,42]. The discrepancy between the signal and the quality of the signaller—either actual or perceived—is hence due to poor signalling, which may either be caused by the quality of the signal or the integrity of the signaller. Signal fit and signal honesty together comprise signal reliability, which closely relates to the notion of credibility [29].

Signal frequency and consistency. Firms can enhance the effectiveness of their signalling by means of sending a larger spectrum of observable signals or by increasing the number of signals emitted, which is called signal frequency. Connelly et al. [29] pointed at the possibility for signallers to signal repetitively to keep reducing information asymmetries and increase the effectiveness of the signalling process. This especially applies when a firm uses multiple types of signals to convey the same message [43]. A related concept to signal frequency is that of signal consistency, which Connelly et al. defined as the agreement between multiple signals from one particular source. Signal consistency may help mitigate the problem of communication becoming less effective as uncorresponding or conflicting signals confuse the receiver [44,45].

While other concepts can be distinguished in literature on ST, Connelly et al. [29] considered the above to cover key categories within ST. This article takes these categories as its point of reference for analysing ISO 26000 from a signalling perspective (Although these categories may partly overlap, for purposes of analysis, they are treated as conceptually separate in this article).

2.2. Observing CSR Signals: Within-Firm and between-Firm Information Asymmetries

Voluntary in nature, CSR represents an integral part of corporate strategy and is concerned with the responsibility a firm takes for the social and environmental impacts of its (in)actions and its responsiveness to the legitimate concerns and expectations of its stakeholders and broader society about these impacts [46,47]. CSR discourse is dominated by instrumental and strategic approaches rather than moral orientations towards CSR, emphasising the economic benefits that firms can gain by addressing their social and environmental responsibilities [48,49]. In this context, CSR is an important underlying quality to signal to stakeholders as firms seek to capitalise on their investments in managing sustainability impacts, product and business model innovation and corporate philanthropy. As Johnston ([5], p. 7) put it: "*[u]nless firms can find a credible signal of CSR, the positive potential of* *the market may go unrealized*". Literature has pointed at the value of signalling CSR as a beneficial firm characteristic that sends investors the message that they can anticipate future firm profits, that helps building a good corporate image and reputation among customers, (future) employees and regulators, cultivates trust among corporate constituents and that can enhance the credibility of CSR claims [5,50–54]. Scholars have also suggested that organisations may signal their CSR quality in response to stakeholder demands or to differentiate themselves from competitors, providing them with greater legitimacy in the marketplace [13,30,55–59].

In its simplest form, ST's primary focus is on information asymmetries between two entities, the signaller and the signal receiver. However, in the realm of CSR, firms experience strong incentives to signal their CSR quality. Receiver attention for signals of CSR quality has surged. A recent survey by Globescan [14] demonstrates that a large majority of corporate stakeholders are interested to learn about firms' CSR engagement. Connelly et al. ([29], p. 60) rightfully argued that the field of CSR presents an interesting research area from the perspective from ST: "*as many stakeholders such as host communities, employees, and customers become increasingly concerned about sustainability, how can firms signal their commitment to a sustainable enterprise?*" This has led to a proliferation of signals, including the use product labels, advertising responsible products, sponsoring worthy causes, issuing press releases about CSR initiatives, engaging in strategic stakeholder dialogue and publishing comprehensive sustainability reports, making competitive signalling important. In the face of information asymmetry, firms with good performance will try to find ways of signalling the relative superiority of their performance to increase observability [60].

Consequently, this spree of CSR communication causes relationships between firms and their stakeholders to be characterised by two types of information asymmetries in particular: within-firm and between-firm information asymmetries. Within-firm information asymmetries concern the inherent opacity of underlying CSR quality and its relative unobservability to stakeholders. In many cases, a firm's CSR quality is hard to observe or even unobservable for transacting partners due to the prevalent orientation of CSR activities on internal business processes rather than its integration in the development of new products, the exploration of new markets and the innovation of business models [5–8]. To the extent firms communicate their CSR engagement to reduce information asymmetry, only a part of signal receivers appear to think that companies communicate honestly about CSR [14]. As Lydenberg ([61], p. 61] observed: "*Although an increasing number of corporations publish environmental and health and safety reports, many are simply token efforts—greenwashing—and few address the full range of social issues necessary to asses adequately a corporation's behaviour*." In other words, the inconvenient truth for firms here is that assumptions of greenwashing seem to be a starting point in assessing communication on their social and environmental responsibilities. These conjectures thus point at a subtler concept of unobservability: while a firm tries to signal its CSR quality to reduce problems of information asymmetry, many stakeholders tend to think that the information revealed to them does not reflect the organisation's true underlying quality or may be communicated to consciously obscure rather than reveal observability. Signalling CSR then results in maintaining information asymmetries as stakeholder perception may trump truth.

A second type of information asymmetries relates to between-firm observability and concerns the idiosyncrasy of the CSR concept. The contested, multifaceted, and vague nature of CSR [10,11,62,63] requires company-specific interpretations of the concept to acquire meaning [9,64]. While such interpretations may benefit stakeholders' understanding of the CSR quality of a particular firm, this also implies that substantial differences between management approaches to, incomparable renditions of, and widely varying communications strategies for CSR, even of similar firms that are in direct competition with each other, are scattered around the marketplace [13,65,66]. As a result, CSR (minimum) norms and performance benchmarks are unclear to signal receivers, making it hard for stakeholders to gauge, differentiate between and make inferences about companies' signals about their comparative CSR quality. This leads to preservation of information asymmetries in business-stakeholder relationships.

3. A Standard for Signalling CSR: Understanding ISO 26000

In this context, CSR standards can serve as efficacious signalling devices for firms to reduce information asymmetries. By increasing the observability of firms' underlying CSR quality and through providing common frameworks for interpreting and implementing CSR, they enable firms and their stakeholders to cope with problems associated with within-firm and between-firm observability of CSR. CSR standards offer a shared point of orientation and an agreed-upon language in a fragmented domain and thus carry a legitimising function for guiding CSR behaviour [67–70]. Terlaak [71] argued that standards may create order without law in settings characterised by incomplete consensus and information and capture in a written and codified form "how things should be done". Several standards allow firms to obtain certification for their demonstrated compliance through second- or third-party auditing. Certification functions as an enforcement mechanism that cultivates accountability and disciplines corporate conduct, ensuring—at least to a certain extent—signal honesty and fit. Certification allows firms to explain and justify their behaviour, enabling stakeholders to pass better informed judgments and facing sanctions when they do not comply with the designated norms [72].

Over the past two decades, the CSR domain has witnessed a proliferation of complementary and competing standards. Representing exclusive or exhaustive categories, types of standards that have emerged include principle-based standards, reporting-based standards, certification standards, process standards and integrating guidance-based standards [17,73,74]. Amidst the proliferation of CSR standards, ISO took the initiative to develop ISO 26000, a comprehensive CSR standard that offers guidance for understanding and interpreting CSR, formulating and implementing CSR policy and communicating CSR. Published in late 2010, the standard marks a deviation from the closely related category of management systems standards in the CSR realm (e.g., ISO 14001, ISO 9001, OHSAS 18001, SA 8000) which contain process and performance requirements and are certifiable. Whereas widely used standards such as the United Nations Global Compact (UNGC) and the Global Reporting Initiative guidelines through their own enforcement mechanisms (communication on progress requirement and application levels respectively) mandate firm behaviour, ISO 26000 contains no enforcement mechanisms at all. Hahn [20] labels ISO 26000 as an innovation in standards development, "*intended to enhance (or induce) a [management system] with regard to content and structure by systematically promoting (or introducing) continuous discourse processes*" ([20], p. 720). This type of standards focuses on providing guidance on contents, process and dialogue, facilitating stakeholder interaction and organisational learning.

ISO 26000 was developed in the largest-ever stakeholder consultation process, involving institutional stakeholders from more than 90 countries and hundreds of international delegates and experts in the field of CSR that deliberated and negotiated on aspects of the standards for more than five years. This inclusive nature and procedural fairness of the development process, its consensual orientation, and its transparency led the standard to possess a high level of legitimacy [19,22,23,75].

Its broad-based contents were inspired by many other authoritative standards, conventions, guidelines, codes of conduct, etc. ISO 26000 specifies expectations and related actions for guiding firm behaviour in the realm of CSR in order to "*provides guidance on the underlying principles of social responsibility, recognizing social responsibility and engaging stakeholders, the core subjects and issues pertaining to social responsibility and on ways to integrate socially responsible behaviour into the organization*" ([26], p. vi). The standard has a strong stakeholder orientation [76,77] and, although recognising the business imperative for addressing social and environmental responsibilities, takes a dominantly moral instead of an instrumental or strategic approach to CSR. The standard builds on the idiosyncratic character of the CSR concept encouraging firms to develop their own interpretation of CSR within the general confinements of the principles and CSR subjects it specifies [3,78]. As such, it can be considered as a multi-stakeholder initiative to create a form of public-private governance in the context of the roles or organisations in achieving sustainability.

In a comparison of ISO 26000 vis-à-vis other standards, Hahn [20] argued that ISO 26000 provides opportunities for signalling CSR beyond certification on a direct level of interaction with stakeholders: "*While possible de-coupling tendencies in third-party certificates might induce a loss of confidence in the respective conventional standards, such alternative modes of signalling potentially enable a more credible implementation [of CSR]*" (p. 724). He also concluded that ISO 26000 holds particular value for firms that are in the beginning stages of CSR implementation. Webb [79] argued that ISO 26000 is an innovative rule instrument that contains bridging functions in addressing public and private transnational business governance interactions, including the standard's compatibility with other global CSR standards and the function of the standard as an emerging global CSR custom to address firm behaviour.

The standard seems to be well-received by firms. A recent report of the European Commission [25] based on research among 200 European companies shows that 40 per cent refer to at least one internationally recognised CSR standard, while 33 per cent of the companies in the research refer to at least the UNGC, the OECD Guidelines for Multinational Enterprises (MNEs) or ISO 26000. ISO post-publication surveys indicate that adoption of the standard is gaining traction worldwide [24,26,27].

The characteristics of the standard have led to various responses by organisations in the CSR standards environment, including national standardisation bodies and certification organisations. As many firms seek to certify their CSR engagement, various national standardisation bodies (e.g., in Denmark, Portugal, and Brazil) have developed certifiable CSR management systems based on ISO 26000 standards, such as the Danish DS 49001. A consortium of internationally active certification organisations have developed and launched a certifiable management systems standard as response to the publication of ISO 26000, called the CSR Performance Ladder. Other standardisation bodies (e.g., in the Netherlands, Sweden, and France) have initiated the development of a self-declaration strategies to evidence the CSR claims of firms adhering to ISO 26000 in a systematic way. The Dutch national standardisation body has developed a self-declaration protocol which was laid down in a guideline that now serves as the basis for a proposal to formally acknowledge this strategy within the international ISO network. A self-declaration contains structured information about an organisation's claim that it works in accordance with ISO 26000 and can be subjected to an external audit. Accompanying this initiative is the availability of an online publication platform for organisations to issue an ISO 26000 self-declaration.

4. Analysing ISO 26000 with ST

The nature, contents and consequences of the ISO 26000 standard on the one hand and its promise and take-up by firms on the other hand occasion investigating the signalling value of ISO 26000. In the next sections, ISO 26000 is examined with ST along the lines of the earlier mentioned concepts. The analysis subsequently focuses on the extent to which ISO 26000 can be viewed as a signal of quality and intent, to what extent the standard is an efficacious signal, signal honesty and fit, and signal frequency and consistency. The analysis incorporates aspects related to the nature and the contents of the standard as well as their consequences in the CSR standards environment.

4.1. Signal of Quality and Intent

Adherence to ISO 26000 may dominantly signal a company's intent to engage in CSR. Rather than containing requirements for taking appropriate action or specifying performance levels, it merely offers guidance to firms in interpreting CSR and formulating their CSR policy and CSR implementation. Although the standard emphasises "*the importance of results and improvements in performance*" ([80], p. vi), it neither specifies performance levels for companies in terms of reducing negative social and environmental impacts nor provides accepted or general benchmarks. Hahn [20], in this respect, pointed at the possibility that the adoption of standards as institutionalised rules does not necessarily improve operational efficiency [81–83]. Similar fears were expressed by Schwartz and Tilling [84] who argued that ISO 26000 focuses "*on management techniques and related rituals, rather than on actual outcomes* *in terms of more responsible actions*" ([84], p. 292). This means that a firm's intention to engage in CSR is decoupled from its actual engagement in CSR and its performance, or CSR quality.

In the absence of appropriate governance or enforcement mechanisms (e.g., certification, required communication on progress), there are few thresholds for claiming ISO 26000 adherence and the standard may even tempt firms that do not possess the CSR quality to signal. This is especially the case when relationships between firms and their stakeholders are characterised by within-firm and between-firm observability of CSR. The low exigencies of ISO 26000 imply the presence of a risk of incongruence between a firm's CSR claim and its actual CSR actions, compromising the credibility of the firm that communicates that it adheres to the standard, the CSR concept in general and the standard itself [85,86]. Information that signals a firm's actual CSR quality (e.g., relative or absolute reduction of carbon emissions, measures the company has taken to find alternatives for the use of deplete-prone natural resources, and information on the working conditions in overseas factories) rather than its intent ultimately determine its credibility in the marketplace.

In the realm of standards, performance can also be conceived of in another way. Various authors have placed ISO 26000 within quality management-oriented approaches towards CSR [20,67,87]. Such approaches are known for their focus on continuous improvement from a systematic plan-do-check-act perspective [87–89] and may be considered to constitute a commitment to improving performance and optimising the efficiency of internal business operations rather than the achievement of ambitious performance levels and innovation. The option of ISO 26000 self-declaration does not solve these problems as this self-declaration is essentially only an exercise in illustrating adherence to the standard, not in performance (see also Section 4.3).

In his analysis of ISO 26000, Hahn [20] concluded that the standard is particularly suited for firms that are in the beginning stages of CSR implementation. He argued that ISO 26000 "*can serve as an introduction into the main concepts of [CSR] and it can help by introducing relevant instruments, initiatives and core elements of an management system for those organizations which are still in the initial stage of implementing [CSR] into orderly management processes. (. . .) For companies beginning to realize their [social responsibilities], ISO 26000 with its content-focus can be a starting point for implementing it into organizational management processes*" ([20], pp. 722–724). While firms in early stages of CSR development may possess a certain CSR quality, it can be assumed that this quality is still underdeveloped and can be considered to be primarily reflecting an intention to further develop their CSR quality. ISO 26000 thus seems to signal intent over performance.

4.2. *Efficacy of the Signal*

ISO 26000's lack of proper verification and enforcement mechanisms hampers the ability of signal receivers to distinguish between firms with different CSR quality. Such mechanisms can function as useful discriminators between companies of high and low quality [29,70,90]. Related to the cost aspect of efficacious signalling, certification or other second- or third-party conformity assessments provides an illustration of this: high-performing firms generally incur lower certification costs because their practices are already up to par and because better firm capabilities contribute to the reduction of costs related to making the necessary adjustments to qualify for certification [8,29,90,91]. In the case of ISO 26000, however, producing the signal would incur little cost and claiming adherence to the standard would merely require symbolic or selective implementation of change from the organisation. From the perspective of ST, poor-performing firms may experience superior benefits from signalling over non-signalling too and conclude that these benefits outweigh the minor costs involved. High-quality firms are consequently not motivated by arguments of costly signalling to claim that they are working according to ISO 26000 as it does not offer them a comparative advantage vis-à-vis the proverbial cheap talk of low-quality firms. ISO 26000 is thus likely to lead to an uninformative "pooling equilibrium" instead of a "separating equilibrium" in which firms can be clearly distinguished [56,92].

The costs incurred by firms as a result of going through an ISO 26000 self-declaration protocol, such as the ones that are available in the Netherlands, Sweden and France, will probably not be a burden for low-quality firms to signal their adherence to the standard. Although there is a fee involved in publishing a firm's self-declaration on the Dutch ISO 26000 publication platform, and even though the exercise to comply with the applicable guideline requires effort from firms, these burdens may prove to be too low for firms to become reluctant to adhering to the standard in the face of the benefits of doing so.

A final observation on the cost characteristic of signal efficacy relates to the standard's interpretation of CSR. Since this interpretation is dominantly normatively-oriented rather than reflecting a strategic or business case orientation towards CSR, one could argue that, by adhering to ISO 26000, firms choose to respond to stakeholders' and society's expectations primarily from a moral point of view rather than through aligning these interests with their own from a profit-seeking motive [77,78]. As such, adhering to ISO 26000 could indicate that firms opt for a mode of CSR that signals they are prepared to sacrifice profits in the public interest [37,53], leading the standard to account for a costly signal.

The absence of required verification mechanisms such as certification and communications on progress requirement also relate to the observability aspect of efficacious signalling as firms are unable to make their CSR quality visible through these mechanisms. The observability of the CSR quality of ISO 26000-adhering firms is further hampered as neither a public register of companies that adhere to the standard nor a clearinghouse system for ISO 26000 exists. While ISO post-publication surveys have observed a substantial increase in the number of firms that seem to be interested in and adopting ISO 26000 [26,27], it is impossible to determine how many firms and which firms have adopted the standard or even obtain a sensible proxy of this. While not being available for ISO 26000, such provisions are available for many certifiable standards, enabling stakeholders to obtain detailed information on for instance a firm's certification and related data, including the scope of its certification, prior certifications, the period through which the certification is valid, non-conformances, possibly related certifications and firms' management declarations on the topic. Initiatives have however been taken in the context of ISO 26000 that aim to do exactly the opposite: blacklisting companies that wrongfully claim that they have been ISO 26000 certified or are saying that they intend to obtain certification with the standard and showcasing bad practice [93].

As a final point, one of the ways firms can increase the observability of their CSR quality is through disclosing their CSR quality in greater clarity, whereas firms with poor performance will obfuscate their poor quality by using complex and difficult wording, a phenomenon known as the obfuscation hypothesis [94,95]. In a way, ISO 26000 permits vague wording as the standard allows for idiosyncratic approaches to and interpretations of CSR. Any interpretation of CSR is in fact acceptable for the standard as long as it remains within the general confinements of the standards' CSR definition, CSR principles and CSR core subjects. Similarly, Hemphill [21], in this regard, said that ISO 26000 is too broad in its scope, implying that it cannot serve a useful purpose in the context of specific industries and sectors in terms of being a meaningful CSR signal.

4.3. Signal Honesty and Fit

Lacking verification and enforcement mechanisms and the fact that there are hardly any costs involved in signalling adherence to ISO 26000 for firms, make the standard susceptible for false signalling, thereby compromising signal honesty. The low exigencies of ISO 26000 make it easy for companies to polish or even fake underlying qualities and may tempt or encourage firms spitefully wanting to claim an engagement in CSR to only partly implement changes for cosmetic purposes [41,69]. As high-quality firms may be discouraged to signal when low-quality firms can easily send the same signal, the standard could even become a symbol of false signalling, inferior norms and outright deceit. This could lead to dire adverse effects in the face of the standard's objectives, including consciously misinforming stakeholders and obscured purposeful corporate misconduct.

In addition, and as illustrated above, ISO 26000 is particularly concerned with signalling a firm's intention to engage in CSR rather than its CSR performance, rendering it difficult for stakeholders to distinguish between the different signals they receive from different companies and assess these by gauging the extent to which these signals fit firms' underlying CSR quality. Stakeholder assessment of the honesty of a firm's CSR signals is further impeded by the tendency of the standard to decouple action from performance [78,84], making the standard subject to moral hazard as a result of opportunistic firm behaviour. At its best, ISO 26000 would enable stakeholders to differentiate organisations based on their intent to engage in CSR initiatives rather than their actual engagement in these initiatives or the social and environmental effects their engagement engenders. However, it is clear that judging firms based on their intentions may be a precarious exercise in the first place; the litmus test for distinguishing between credible companies ultimately lies in demonstrating CSR performance and hence in evidenced information that signals a firm's quality. Signal honesty thus seems hard to determine in the context of firms that adhere to ISO 26000, especially when compared to, for example, the certifiable environmental management systems standard ISO 14001 and the certifiable variants for ISO 26000 that have been developed to date. ISO 26000 hence upholds between-firm asymmetries.

The aforementioned is inextricably linked to problems in determining the degree to which the signal emitted by firms about their adherence to ISO 26000 correlates with their underlying CSR quality (i.e., signal fit). This may be considered an inherent flaw resulting from the type of standard and the approach to CSR that ISO 26000 represents and points to a phenomenon that can be called the paradox of idiosyncrasy. As the standard leaves a lot of interpretation and application of the CSR concept up to individual firms, the messages that are communicated by firms about their supposed CSR quality may actually reflect their CSR quality well, indicating a high level of signal fit. However, exactly because of the fact that ISO 26000 revolves around company-specific CSR interpretations and implementation, signal fit is very hard to determine for stakeholders and may lead to confusion when they compare even similar firms to each other [9,64]. ISO 26000 may represent a range of CSR interpretations that are used by firms, leading the same signal (i.e., a firm's adherence to ISO 26000) to reflect very different approaches to interpreting and implementing CSR and thus hamper the reduction of between-firm information asymmetries.

The notion of signal fit becomes even more problematic when one takes into account the results of empirical research by Perera [96] on the relevance of the contents of ISO 26000 for SMEs. These results indicate that only a small number of the CSR principles, core subjects and issues that are specified by ISO 26000 are seen as being of sufficient material importance for SMEs. This is attributed to the lack of involvement of SME representatives in the ISO 26000 development process [76,97].

4.4. Signal Frequency and Consistency

Under the condition that signals correspond with each other, signalling effectiveness can be enhanced by sending a larger number of observable signals or increasing the number of signals emitted to reduce information asymmetry [29]. In terms of signal frequency and consistency, ISO 26000 in itself does not necessarily give rise to any particular signalling problems: a firm can signal its adherence to the standard at will and in myriad ways (e.g., through press releases, sustainability reports, corporate presentations or social media) under the homogenous label of ISO 26000. However, ISO 26000 does not have the advantage of offering the possibility to communicate about the results of mandatory periodic conformity assessments such as external audits, re-certification, voluntary assurance statements or regular progress reports that other CSR standards offer. ISO 26000-adhering firms may thus be missing out on opportunities to signal about formal milestones on fixed intervals related to their standards adherence. The fact that alternative standards that have been developed for ISO 26000 are certifiable may therefore reinforce the competitive signalling dynamics in favour of these alternatives, further reducing the relative degree of observability of ISO 26000 (between-firm information asymmetries).

Another aspect of signal frequency lies in the signalling environment of ISO 26000. The Dutch context proves a case-in-point: communications by the national standards body NEN on organisations that have adopted ISO 26000, for instance, seem to be much less frequent than that of the certification institutions that have developed the CSR Performance Ladder, a prominent substitute CSR management systems standard in the Netherlands that was inspired by ISO 26000 and which is certifiable. Certification institutions arguably have stronger marketing and business incentives to communicate about their product and related supporting and certification services as they will financially benefit from both the process leading to certification and the certification itself. This incentive has become even stronger as the CSR Performance Ladder is not endorsed by NEN or the national CSR knowledge centre in the Netherlands. Without this institutional backing, certification organisations are required to put more effort in marketing communications. As consultancies may also benefit from market demand for obtaining certification according to the CSR Performance Ladder through offering advisory, implementation and audit services, they have an incentive to communicate about this standard as well [98].

Despite the standard itself not representing problems in signal consistency for firms, ISO 26000 may well give rise to such problems to occur. For ISO 26000-adhering firms to make their CSR quality better observable and reduce information asymmetries between them and their stakeholders, engaging in additional signalling strategies is required [4]. As illustrated above, the standard only allows for limited signalling, both in terms of the number and diversity of signals. Firms that work with ISO 26000 have multiple options to strengthen their signals, including the adoption of issue-based CSR standards (e.g., SA 8000 and ISO 14001) or adhering to other comprehensive CSR standards that are either mandatorily or voluntary subject to enforcement mechanisms (e.g., Global Compact, DS 49001, CSR Performance Ladder, and Global Reporting Initiative).

Such approaches to strengthen corporate CSR signals may have drawbacks, however. One drawback is that a firm's CSR signals proliferate too much and comprise a diversity of signals that may consequently confuse stakeholders' perception of what a firm actually stands for or focuses on in the context of CSR. A second drawback of this approach relates to signal consistency. As a firm needs to manage an intricate constellation of partly overlapping CSR commitments and performance requirements to manage, it not only risks confusing stakeholders, but also increases the risks of emitting inconsistent signals. This may increase suspicion among stakeholders about the firm's CSR claims. A firm may for instance emit inconsistent signals as both the scope of the contents and the perceived status of the standards it adheres to differ to a certain extent. For instance, ISO 14001 focuses exclusively on environmental management and the DS 49001 that was directly modelled onto ISO 26000 includes the subject of animal welfare. In addition, while ISO 26000 is a worldwide standard based on global consensus, the CSR Performance Ladder was particularly aimed at Dutch firms and the certification institutions involved have only just begun to enter an international playing field with the standard. The signalling firm may even confuse signal receivers in terms of the value it attaches to certification for CSR purposes, since this is something that is not uncontested in practice and an ongoing debate among academics [20,31].

5. Discussion, Theoretical Reflection and Research Suggestions

The analysis through an ST lens in this article shows that, particularly due to its guidance orientation, its focus on intention, its tendency to decouple action from performance and the absence of enforcement mechanisms ISO 26000 may neither be an efficacious signal nor have a high signal fit. However, several points of discussion and reflection arise.

A first point of discussion relates to the mixed results of research on the value of certifications. While some scholars have found labels and certifications in the context of CSR to cause separating equilibriums [56,99], others have however empirically found or argued that certification may not always possess high levels of signal fit either. King et al. [100] found that poor rather stellar performers opt for certification, while Terlaak [71] observed "satisficing signalling" by firms indicating mere compliance with requirements by well-performing subunits rather than aspirations to realise better performance for all subunits. Using certification as a signal may thus have drawbacks as well. Persuaded by the drawbacks of certification, including inconclusiveness in findings whether adopters actually do outperform non-adopters, an undesirable focus on compliance rather than on performance in many organisations and using certification to raise trade barriers and execute power in global networks, Castka and Balzarova [31] earlier concluded that ISO 26000 should indeed have been designed as a guidance standard. However, these authors did not include a signalling perspective in their analysis. From a related angle, Duflo et al. [12] provided experimental empirical evidence that auditors routinely make unethical decisions favouring client interests. Auditors' financial dependence of client firms leads to conflicts of interest and poor incentives to tell the truth and make objective observations on firms' compliance. When this type of information is available in the marketplace, certifications may not turn out to be efficacious mechanisms to create a separating equilibrium and equip firms with a signal of limited value [101]. Evidence of greenwashing by companies that have subscribed to the UNGC or other CSR-related initiatives that involve enforcement mechanisms such as communications on progress may have similar effects as firms obscure their true quality by a smokescreen of signals. This may, in turn, be beneficial for ISO 26000 as it may increase its value relative to CSR management standards that have enforcement mechanisms. The adoption of ISO 26000 in practice could however prove to be the ultimate referee: when it is clear that firms that do possess underlying CSR quality adopt ISO 26000, the standard will gain empirical legitimacy [75]. ISO 26000 may be particularly adopted by firms that already have (certified) social, environmental and quality management systems in place and thus are already well under way with realising the CSR agenda. In addition, while the reputed ISO label may serve as an attractive label or cover for firms that aim to mislead stakeholders and still gain legitimacy in the context of addressing their social and environmental responsibilities, assumptions about the organisational implications of ISO 26000 (e.g., the implementation of a perceived management systems standard and substantive change) may also scare and fence off those uninformed.

A second point of discussion relates to the constitutive function that adhering to ISO 26000 may have for firms despite it being a dysfunctional signal. While intention may not necessarily lead to action or performance, organisational CSR aspirations may yield behavioural dynamics that help guide and build performance by "communicating the organisation into being" [86,102]. In this sense, a firm claiming to adhere to ISO 26000 while not yet possessing adequate underlying CSR quality may perhaps be better able to live up to its own claim and do so more committedly precisely because of its adherence to the standard. Both from the viewpoint of firm-supplier relationships and the perspective of public policy for stimulating transparent and responsible business behaviour, managers and policymakers may thus encourage the use of ISO 26000, although they should be well aware that, to an extent, they intentionally allow and embolden a certain level of loose coupling between intention and action or, as it has been called, corporate hypocrisy [86]. In any case, and illustrated by this latter argument, using ISO 26000 as an instrument in public-private governance requires accountability mechanisms to discipline firm behaviour and prevent excessive opportunism and patterns of free-riding behaviour. In line with the standard's orientation on stakeholder engagement, a firm adhering to ISO 26000 could be disciplined in aligning their intentions, actions and performance and their signalling activity by engaging in sensemaking processes with critical stakeholders, such as NGOs, employees, client panels and public authorities. As such, an approach may minimise risks of greenwashing it may also enable firms in coping with the paradox of idiosyncrasy observed in this article.

5.1. Further Specification of ST Concepts

Analysing ISO 26000 along the lines of key concepts from ST seems to give rise to a further specification of the applied concepts.

ST distinguishes between signalling the quality and signalling the intent of an organisation. One could even say that a firm's intention to engage in CSR using the contents of ISO 26000 as a point of reference perhaps constitutes the main quality of the firm that is signalled, blurring the analytical distinction between signals of quality and intent. Although both types of signals can be observed apart from each other, one could argue that in a CSR context these types of signals may be mutually conditioning. For instance, communicating CSR commitments (intent) without communicating action, demonstrating CSR performance or accountability for social or environmental impacts (quality) leads companies to run the risk of being accused of greenwashing. This distinction resembles the concept of credibility which Becker-Olsen et al. [85] defined as the difference between a company's CSR claim and its CSR action. In addition, the distinction between intent and quality may prove theoretically tangled and consequently difficult to discern in the context of CSR as the mere intent of a firm to behave socially responsible may be perceived as one of its qualities [103]. In addition, the nature of a firm's orientation towards CSR (e.g., public-serving, profit-serving or a combination thereof; see [85]) reveals information about its intent, which may be relevant in stakeholders' assessments. Such a position could even be dependent on stakeholders' orientations towards CSR: some stakeholders may find a firm more credible when it pursues a business case approach to CSR, while others would prefer the firm to be engaged in CSR purely for the betterment of society. Instead of distinguishing between signals of intent and signals of quality, perhaps a more useful distinction in this context could be between a signal of intent on the one hand and signals of action, performance and impact on the other [86]. Signals of quality could then also be perceived as a construct that encompasses these different signals and constitute a proxy for the level of within-firm information asymmetries in the context of CSR and even the alignment of signals of intent and signals of quality. In this latter case, one may speak of signal of fit, not be confused with signal fit.

A second suggestion relates to a specification of the concepts of signal frequency and consistency. Signal diversity may be a more appropriate label than signal frequency as the latter is concerned with repeatedly sending out one and the same signal (which may be called "signal iteration"), while the former is concerned with emitting a greater variety of signals (which may be called "signal proliferation"). Signal iteration relates more to the timing of signals, for instance, making sure that signals have good reach among relevant stakeholders without overloading receivers with information. Signal proliferation then is the phenomenon that gives rise to investigating signal consistency, as this may increase the risk of emitting conflicting signals resulting in a diffuse or polymorph aggregate signal for receivers. In fact, from a theoretical point of view, it is proposed that "signal congruence" may be a better term for the phenomenon described by Connelly et al. [29] than signal consistency. To illustrate this in a CSR context: signal consistency seems to apply more to a situation in which a company publishes a sustainability report with irregular intervals (e.g., not consistently on an annual or bi-annual basis) or in which a company publishes sustainability reports that are not always accompanied by assurance statements or include accounts resulting from stakeholder consultations (i.e., inconsistencies in data quality). The degree of signal congruence hence focuses on the extent to which different signals present corresponding messages or contents.

5.2. Research Suggestions

This article has argued that, because of the existence of within-firm and between-firm information asymmetries, it may prove hard for stakeholders to interpret and assess signals relating to unobservable qualities such as CSR, even when companies signal their adherence to standards. A first suggestion would therefore be to focus research on identifying strategies for different types to stakeholders to evaluate corporate CSR claims that are based on non-certifiable standards. This is also a relevant research question for companies themselves, as companies that take their CSR commitments seriously would probably be interested in learning how to inform their stakeholders effectively. Obviously, stakeholder engagement strategies and stakeholder dialogue may prove useful as signals are created, attributed meaning to and institutionalised in the process of continuously interacting parties [13,104,105]. However, what if a firm provides only limited options for such engagement and dialogue? Would the fact that it does so, and thereby breaches a principle behind many CSR standards, be a signal that becomes stakeholders' main source for dismissing its CSR claim?

A second research project could be guided by the question whether signal fit is higher with non-certifiable CSR standards than with certifiable management systems. Non-certifiable may have lower exigencies, but may fence off firms with low CSR signal fit as they prefer to send a signal that is more costly. Since scholarly work appears to show mixed results on this issue, research could be guided by the question "are companies that adhere to non-certifiable CSR standards more likely to possess the unobservable qualities than those that adhere to certifiable CSR standards?"

Thirdly, as signal strength appears to be dependent on various aspects (not only certification), research could focus on empirically assessments of the signal strength of various CSR standards, both certifiable and non-certifiable and with different enforcement mechanisms (e.g., ISO 26000, UNGC, SA 8000, and AA 1000 series), using the ST concepts used and refinements suggested in this article. In addition, research could be directed at the emerging competitive landscape of CSR standards, investigate what standards will surface for what reasons and the degree to which signal strength possesses explanatory value for this phenomenon. In particular, future research may not only be directed towards different types of CSR management standards, but also aim at exploring related frameworks that are widely used by firms to communicate about their social and environmental performance. From a signalling perspective, sustainability and integrated reporting frameworks may serve as prominent signalling devices for firms, in terms of both adopting such frameworks and the type of information firms communicate in their reports. While several scholars have recently investigated the relationship between firms' sustainability reporting and other types of disclosure (e.g., greenhouse gas emissions) on the one hand and information asymmetries on the other hand in general terms [59,106,107], none of them have endeavoured into applying ST in detail to this type of corporate communication.

The main research question that imposes itself based on this article, however, is what effective signal-enhancing strategies can be formulated in the context of ISO 26000 and other non-certifiable CSR standards. Given the weak signal that ISO 26000 has been argued to be, what strategies can firms pursue to strengthen the signal they emit by adhering to this standard? Speculating on these strategies, and next to an (externally assured) ISO 26000 self-declaration, firms could opt for a certifiable variant of ISO 26000, although these have mainly been developed in several national contexts by standardisation bodies until now. A second strategy for firms could be to obtain certification according to substitute certifiable comprehensive CSR standards developed by other organisations, or use these in combination with ISO 26000. A third option concerns adhering to multiple certifiable standards in CSR-related domains, such as quality, environment, accountability, and occupational health and safety. A fourth strategy for firms could be to have their claim to adhere to ISO 26000 or their self-declaration externally assured [4]. Empirical research could focus on determining whether and under what conditions firms would consider different signal-enhancing strategies, the efficacy of (combinations of) these strategies and the perceptions of stakeholders of them. These strategies are, again, not limited to the adoption of standards, but also include the application of reporting frameworks and engaging in other types of sustainability-related disclosures. In these research efforts, scholars may particularly pay attention to issues related to signal frequency and consistency, including the refinements suggested in this article. As Connelly et al. noted in this respect: "*Sending different signals from the same signaller, or the same signal from different signallers, could change the way receivers interpret those signals*" ([29], p. 59).

6. Conclusions

In the context of public-private governance for sustainability, CSR and sustainability standards have a particular and potentially promising role to play as form of "governance beyond government". Firms have clear incentives to signal their underlying CSR quality and many have opted for adhering to CSR standards as way of reducing information asymmetries in their relationships with stakeholders. The ISO 26000 standard is a prominent case in point and may, in the context of realising both public values and business goals, serve as a signalling device for firms aiming to communicate their CSR quality. However, despite the high level of legitimacy ISO 26000 possesses based on its inclusive, multi-stakeholder-oriented development process and the practical value its CSR framework offers adopters, firms adhering to the standard risk emitting a rather weak signal. Analysing the standard with ST shows that the standard satisfies neither characteristic of an efficacious signal (observability and costliness) and signal honesty and signal fit may be rather low. In addition, the standard appears to lead to problems of signal frequency and signal consistency. The low exigencies of ISO 26000, including it lacking an enforcement mechanism, are a root cause of these problems. Firms may consequently be tempted to signal underlying CSR qualities that they actually do not possess. This can lead ISO 26000 to become a signal of companies with poor CSR performance and even a standard for greenwashing. In addition, the idiosyncratic approach to CSR that the standard propagates requires a lot of effort from stakeholders to observe and assess the CSR quality of ISO 26000-adhering firms. The standard thus adds proof to the obfuscation hypothesis and by creating uninformative pooling equilibriums does not seem to be suited for differentiation purposes. Against this background, when adopting or encouraging the use of ISO 26000, firms and governments may well compromise the promise of public-private governance of sustainability.

The fact that ISO 26000 was not developed as a certifiable management systems standard has led to the emergence of other CSR standards that make CSR better observable, thus enhancing between-firm information asymmetries to its disadvantage. The analysis in this article points at the necessity of using of additional signalling strategies for firms that adhere to ISO 26000, including self-declaration and the adoption of certifiable (issue-based) CSR standards. However, as the standard necessitates firms to turn to alternative signalling strategies, stakeholders may be more likely to misinterpret and get confused by a firms CSR signals.

From the perspective of public-private governance, the question should hence be raised whether ISO 26000 is an appropriate standard to further engage firms (and other organisations that want to use this guidance) in the sustainability agenda, for instance by policymakers in the social and environmental realm. Interestingly, governments have been a contributor to the multi-stakeholder process that has led to the creation of ISO 26000, too, and the interest of public authorities in private governance has been on the increase. In addition, certification is not a solution for the signalling problems voluntary standards engender per se [1]. In the final analysis, it may be said that the differentiating characteristics of ISO 26000, including the fact that it is not certifiable and allows for idiosyncratic interpretations of CSR, can easily compromise its value. Images of realising public values may actually be not much more than a cover for achieving the same business goals as ever. In the context of public-private governance, such greenwashing may well tarnish not only the credibility of business, but also that of other partners involved, including governments and non-governmental organisations. Against the background of the results of the numerous studies mentioned in this article that point at the drawbacks of private and public-private governance in general and CSR and sustainability-related standards in particular, the question then is: Where does this leave the potential value of ISO 26000 for public-private governance? Perhaps a starting point for getting to the most viable answer to this question can be found in the conclusion reached by Mayer and Gereffi ([108], p. 19) on private governance: "*unless private governance is supplemented and reinforced by public institutions of governance, it cannot provide adequate governance capacity for the global economy*" However, to avoid solely resorting to the route of legislation and in order to honour the central idea of public-private governance, ISO 26000 may function as a platform for public and private institutions to discuss, negotiate and mutually enforce the responsibilities, initiatives and outcomes of both firms, governments and non-governmental organisations in achieving sustainability. This may take the form of continuous and transparent stakeholder dialogue as a way of aligning interests and securing accountability mechanisms that may make the signals emitted credible and less susceptible to misinterpretation. The agenda offered by the United Nations Sustainable Development Goals (SDGs) and the consequent initiatives taken by governments, non-governmental organisations (including citizen-led initiatives) and firms worldwide to promote and achieve this agenda may be an emerging (although embryonic) example in this regard. Such an approach may result in the adoption of a variety of idiosyncratic public-private governance arrangements, each characterised by their own signalling strategies [4], including the involved parties auditing each other and communicating the results of this process in a fully transparent way. Inclusive, global partnerships, either directly targeted at activities to tackle the SDGs or aimed at creating new public-private governance arrangements (including standards) may be an example of this.

Paradoxically, as the analysis in this article has shown, ISO 26000 may discourage precisely those investments that are necessary to develop and send credible signals of current and future CSR performance that reduce information asymmetries in firm-stakeholder relationships that firms need in order to capitalise on their CSR efforts. Not being able to capitalise on their efforts may hinder taking up their role in the public-private governance of sustainability beyond complying with legislation. However, this does not say that ISO 26000 will not be taken up by firms worldwide—surveys among businesses actually indicate that the adoption of the standard has gained traction—or that the standard will be discouraged through public policy or supported by non-governmental organisations. Firms, their stakeholders, governments and organisations involved in the standardisation of business conduct should be aware of the signals firms emit by ISO 26000 in order to not let the standard become part of the problems it set out to solve and exacerbate rather than reduce problems in public-private governance.

Funding: This research received no external funding.

Conflicts of Interest: The authors declare no conflicts of interest.

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