Drivers of Support for Corporate Social Responsibility: What Matters Most to Brazilian Business Leaders

Abstract

Purpose – This study aims to examine the drivers prompting business leaders to support CSR practices in Brazil.

Design/methodology approach – The research design selected is a qualitative exploratory multiple-case approach. Data were collected through 16 in-depth interviews with leaders of Brazilian companies.

Findings – Evidence is found that the main drivers prompting leaders to support CSR in Brazilian companies are linked to firm performance (economic opportunities and risk management) rather than ethical or external drivers (national policies and stakeholder pressure). In addition to this, the study identifies that for Brazilian business leaders CSR practices have little to do with individual responsibility and personal fulfilment, but rather with a search for better overall effectiveness of the firm.

Originality/value – This study adds to a relevant and increasing body of literature on organisational behaviour from a societal perspective, offering an understanding of what catalyses organisations to engage in CSR practices.

Keywords - Corporate Social Responsibility, drivers, business leaders

Paper type Research paper

1. Introduction

There has been burgeoning interest across academic, political and managerial circles in corporate practices that positively impact societies in which companies operate. These practices, often framed in terms of corporate social responsibility (CSR), address the role and responsibilities of companies as social actors in the current neoliberal age (Tang, 2018; Nwoke, 2017). Despite the indisputable interest on the topic, a critical research agenda is still needed to evaluate the main driving forces behind CSR in companies.

The emphasis to date on the consequences and the outcomes of CSR has left behind the antecedents of these practices (Petrenko et al., 2016). There is still very little research adopting an internal agency approach to CSR as opposed to a structure approach (Jamali
and Karam, 2018; Aguinis and Glavas, 2012). For instance, from 588 journal articles that covered CSR back in 2012, only 4% adopted an individual level of analysis (Aguinis and Glavas, 2012). Even though this has been changing over the past few years (Carrol and Laasch, 2020), the literature has not yet fully addressed the factors prompting certain business leaders to adopt a focus on sustainability in their operations.

The purpose of this paper is to examine the drivers prompting business leaders to support CSR practices in Brazil. We examine the following research questions: What are the main drivers prompting business leaders to support CSR in Brazilian companies recognised for responsible practices? And which values underlie Brazilian business leaders’ support to CSR?

This paper seeks to complement current debates in the field in three ways: first, by looking at business leaders’ viewpoints, it proposes to add to the literature on the micro-foundations of CSR (Suddaby and Laasch, 2020) and go beyond the view of the corporation as the main agent, while serving to remind us that companies are ultimately developed by individuals. This is relevant as CEOs have been perceived as important actors to explain corporate social behaviour (Karassin and Bar-Haim, 2016, Saha et al, 2019; Yin, Singhapakdi, Du, 2016). Second, it offers an understanding of what CSR means in specific societies, complementing previous research that links CSR actions and cultural and social norms (Cahan, Chen and Chen, 2017; Horiguchi, 2012). Finally, it suggests that the way CSR is perceived by corporate executives depends on the national settings in which the firm operates as illustrated by prior studies such as Carson et al. (2015), Vallentin (2015) and Horiguchi (2012). This research therefore points out the need to go beyond a ‘one size fits all’ approach, contributing to the emergence of a South-Centred CSR agenda (Idemudia, 2011).

The paper proceeds as follows. The literature review draws on relevant concepts on CSR drivers. Section 3 provides the context to the case study and presents the methodology: a qualitative exploratory multiple-case approach. Section 4 discusses the main findings and sheds light on the implications of the results and opportunities for further study.

2. Theoretical Background

2.1. What does theory say about CSR?

CSR practices have been studied by scholars in highly heterogeneous fields such as international political economy and management studies. This means that these corporate
practices have been examined from various theoretical angles, each of them usually taking a different approach: internal (firm level)/external (context in which firms are embedded in), or structure (organisational level)/agency (key actors and decision-makers) (Brown, Vetterlein and Roemer-Mahler, 2010). International political economy scholars, for instance, have mainly concentrated on companies’ role in designing and transforming global governance agenda, giving little attention to the firm level aspects (Ruggie, 2004). Management studies, on the other hand, have been most concerned about the link between companies’ socially responsible practices and their financial performance (Saeidi et al., 2015).

While valuable, these perspectives and theoretical frameworks cannot offer a complete understanding of the context under which companies decide upon their projects, make their decisions, interact with internal actors, and are subject to external and internal changes, as social actors they are. As a result, some authors have recently called for an integrated theoretical approach in order to better assess how institutional and cultural, internal and external factors shape companies’ behaviour (Amaeshi, Adegbite and Rajwani, 2016). This research has offered some innovative solutions to explore different contexts in which change occurs within firms, while assessing the role of internal actors on it (Aguinis and Glanvas, 2012). This integrated approach starts from the assumption that internal/external and structure/agency approaches to CSR are interconnected and related (Brown et al., 2010).

This paper builds on Brown et al. (2010) and develops a research framework that aims to explain what catalyses business leaders to engage in CSR practices. This is done by combining a focus on particular agents within organisations (CEOs) with a recognition that structural and contextual factors impact their actions and decision-making.

### 2.2. The antecedents of CSR

Prior studies highlight that the main drivers of CSR could be classified as external and internal. External drivers are mainly legislative and regulatory compliance, and pressure from different stakeholders such as customers, competitors, society, and suppliers (Walker, Di Sisto and McBain, 2008; Finon and Perez, 2007). Drivers related to the performance of the company such as costs reduction, risks reduction, reputation, and innovation are considered internal (Schaltegger and Burritt, 2018; Shevchenko, Levesque and Pagell, 2016; Schaltegger, Freund and Hansen, 2012), as well as the presence of proactive actors inside the firm that trigger this movement (Brown, Clark and Buono,
External Drivers to Influence Corporate Social Action

External factors, or “extra-mural” factors, are related to the normative and material context in which companies are embedded. They comprise national policies and stakeholder pressure (Vashchenko, 2017). There is evidence that the actions (or even the threat of action) of governments can somewhat induce responsible corporate behaviour (Aguilera and Jackson, 2003). For example, Fukukawa and Moon (2004) have found that companies in Japan are most driven by social action under administrative guidance and government policy. The threat of governmental regulation in social and environmental issues seems to induce and motivate companies to engage in effective self-regulation such as CSR (Héritier and Lehmkuhl, 2008). This phenomenon is often called self-regulation in the “shadow of the hierarchy” (Börzel and Risse, 2010).

Stakeholder pressure also works as important external driver to CSR. The fact that consumers may investigate companies’ social behaviour and consider this factor in their purchase decisions seems to increasingly foster the implementation of CSR, encouraging companies to adopt more sustainable practices (Li, Zhang, and Sun, 2019). CSR, on this perspective, functions as a tool to help companies address issues with a variety of groups in society, especially consumers and NGOs (Shevchenko et al. 2016).

Internal Drivers to Influence Corporate Social Action

Internal drivers, or “intra-mural”, are factors within the corporations. They are mainly related to two situations: the search for improvement of firm performance or the presence of proactive actors who prompt companies to be active in CSR. Examples from the search for firm performance could be linked to practices that attempt to gain reputation and attract qualified employees, to avoid supply chain risks (e.g. human rights abuses), operational risks (e.g. compliance with regulation and dangerous operations), or product risks (e.g. waste during production, health and safety issues or hazardous raw materials) (Staniškienė, and Stankevičiūtė, 2018; Juščius and Snieška, 2015; Shevchenko et al., 2016).

At the same time, some companies look for ways of doing social practices due to internal actors’ desire to “do things right” (Hemingway and Maclagan, 2004). Researchers in management have tried to find out whether proactive leaders and employees are a key prerequisite for corporate transformation (Okpara and Idowu, 2013). Although there
seems to be no general consensus on this point yet, characteristics, beliefs, and personal motivations of top executives seem to have a considerable effect on organisational decisions and behaviours in particular regarding the involvement in CSR initiative (Chatterjee and Hambrick, 2007).

3. Methodological approach

After the process of macroeconomic stabilisation in the mid-1990s, Brazil has become one of the world’s major economic powers. However, over the last few years, in addition to the deep recession trigged by the COVID-19 pandemic, obstacles have emerged largely on the supply side of the economy, increasing the cost of capital for Brazilian companies. First, the ongoing investigations of corruption and bid-rigging in some Brazilian businesses have escalated governance issues. Second, infrastructure deficiencies have increased transport and logistic costs for industrial companies, in particular with respect to industrial exports. Third, difficulties in hiring high-skilled workers have held back productivity growth. Fourth, recent rating downgrades have resulted in the loss of investment grade rating with major rating agencies and delayed domestic and overseas investments (OECD, 2016 p. 11).

These obstacles, however, have reinforced Brazil as a fertile space for the exploration of the relation between CSR and the support of high-level decision-makers on the topic. Periods of economic and political downturns usually urge deeper prioritisation and reflection for business leaders, and certainly lead to consequences on the way choices are made (Souto, 2009, p. 43). The choice of Brazil as a case study also relies on a recognition that for the past 20 years this country has seen more and more executives developing business projects highlighting the importance of CSR practices (Mazboudi, Sidani and Al Ariss, 2020; Barin-Cruz and Boehme, 2010). With more than half of the ISO 14001 certifications in Latin America and more certifications of the SA 8000 on socially acceptable practices in the workplace than any other country across the Americas, Brazil has accumulated considerable experience in CSR practices (Hikichi, Salgado and Beijo, 2017). This is often seen as a result of its long tradition of philanthropy due to the significant social inequalities that are rooted in the history of the country (Young, 2004, p. 292). Due to the successive governmental failures in providing social and environmental development, companies have been encouraged to contribute to societal needs, as well as to introduce accountability and transparency through strategic values (Abreu and Barlow, 2012; Griesse, 2007).
3.1 Research Design and Data Collection

The research design selected is a qualitative exploratory multiple-case approach. This design enables a deeper understanding of the meaning given by participants of experiences with which they are involved, while offering greater insights to the drivers and motivations of interviewees (Bryman, 2016, p. 392). It allows the authors to compare the data found across business leaders and to seek patterns and commonalities among them. Data collection methods included researchers’ journaling and in-depth interviews, supported by revision of literature. In-depth interviews were chosen to enter business leaders’ mindsets and perspectives and comprehend their viewpoints (Patton 1990, p. 278).

Data were collected through 16 in-depth interviews conducted in February–October 2017. The sessions took approximately 40 minutes on average with each respondent, and all of them were recorded, transcribed and coded for analysis. The study sample comprises business leaders from Brazilian companies recognised for being active in the field of CSR in the country. We consider companies’ participation in corporate sustainability organisations as the main indication of their action towards CSR. We first created a list of Brazilian companies that participate in at least two of the following initiatives: (i) the Corporate Sustainability Index (ISE) of the São Paulo Stock Exchange; (ii) the Brazilian Chapter of the World Business Council for Sustainable Development (WBCSD); (iii) the UN Global Compact Brazilian Network. This choice of study sample arose from the justification that by participating in not just one but at least two of the corporate sustainability organisations, these firms stand out for their commitment to responsible practices, which makes them recognised in the Brazilian market as “first movers” or “best in class” with regards to CSR. Following Petrenko et al. (2016)’s advice, we then excluded firms in the financial and insurance sector, since these are highly regulated industries. According to Petrenko et al. (2016 p. 267), firms in highly regulated industries are subject to differences in their regulatory environments that limit the discretion of these business leaders over issues such as CSR. The starting population included 39 companies. Then, using purposive sampling, the authors select cases that were found to be particularly informative and the most feasible ones to receive a response from (de Vaus, 2001, p. 240).

To provide further background information, three interviews with experts from Brazilian corporate sustainability organisations were also conducted. This was important considering these experts have contact with business leaders regularly and their insights
on the topic proved to be particularly helpful. Interviewees will be anonymised throughout the analysis.

The interviewees were asked a series of common, open-ended questions, ensuring commonality across interviews (Table 1).

[Table I]

3.2 Data analysis strategies

The method chosen for analysing data is thematic analysis, which focuses on identifying recurrent patterns or themes that are found within the data implicitly or explicitly (Guest, MacQueen, and Namey, 2012 p. 11). Qualitative data were summarized, screened, coded to detect relationships with the reviewed literature, and then categorised into major conceptual areas. Codes that emerged through the exploration of data or derived from the *a priori* categories were used to devise a framework to organize data analysis, adopting the method for conducting thematic analysis developed by Attride-Stirling (2001). Basic themes were identified and grouped into organising themes, subsequently grouped into global themes, which echoed the research’s main questions. NVivo was used as the main tool for analysis to facilitate the analysis process. To ensure that the confidentiality of participants in research is maintained and the risks of potential inferences are minimized, companies are simply described here by their sectors (Table 2).

[Table II]

4. Findings and discussion

Figure 1 illustrates the framework adopted to organize data analysis. It was produced with the support of systematic reading of transcripts and the categories found in literature review.

[Figure I]

Source: produced by authors

Evidence is found that the main drivers prompting leaders to support CSR in Brazilian companies are linked to internal factors, in particular firm performance (economic opportunities and risk management), rather than external drivers (national policies and stakeholder pressure). This finding is in consonance with Brown et al. (2010) who
recognise that the engagement of a firm in CSR practices is strongly shaped by firm-level factors. On the other hand, this study differs from the findings of previous research that view CSR initiatives as a result of leaders’ personal need for attention and a superior image, and being less strategic in terms of economic performance with a focus on their organisations (Petrenko et al., 2016). Conversely, this study identifies that for Brazilian business leaders CSR practices have little to do with individual responsibility and personal fulfilment, but rather with a search for better overall effectiveness of the firm.

Overall, these findings reinforce Visser’s (2009) notion that CSR is hugely influenced by the economic, social and political conditions of a country. The remainder of this session examines the foremost drivers found from the interviews and discusses the relative emphasis that Brazilian business leaders place in each of the driver, while also exploring the values underlying interviewees’ support for CSR.

4.1 Internal Driving Forces

4.1.1 Firm Performance

Theoretical approaches to “strategic CSR”, which is described as determined through a cost/benefit analysis, affirm that improvement in financial and economic performance is found to be the main driver that prompts business leaders to support CSR practices (Orlitzky, Siegel and Waldman, 2011). Here, this driver has been confirmed. Although there is yet no conclusive evidence to demonstrate how the impact of CSR practices justify investments in this area, all the interviewees explicitly expressed their motivation in search of better firm performance when supporting CSR practices. This means that they count on a benefit from these actions (Arjaliès and Mundy, 2013). The research results have identified two subordinate themes: opportunities and risk management.

Opportunities

For the interviewees, the majority of CSR practices are associated with the creation of future growth opportunities. An overwhelming majority of business participants affirmed that the support for CSR largely comes from the perception that these practices can bring more opportunities to the firm. In general, according to respondents, these opportunities include: a) gaining competitive advantage through technological innovation, access to foreign markets, or improving product quality; b) enhancing employee motivation and commitment; and, c) creating additional value to shareholders.
Competitive Advantage

Some respondents explicitly mentioned that CSR has the potential to allow their firm to outperform competitors. One participant clearly explained that CSR is starting to be used as a filter in the market: “If you have sound initiatives in the area, you are in the market, if you don’t have, you are out” (P8). Similarly, another participant mentioned that certification of the origin of products, for example, is a method being used as a prerequisite in most countries they export to (P3). As one interviewee clearly states:

Why [support CSR]? Because it is a “stamp”, a distinction feature from other competitors… Because at some point it is going to be even more relevant to the market. (P5)

The interviews reveal that most business leaders commonly associate CSR with practices related to social and environmental certifications, environmental management systems, transparency, accountability, best practices and innovation.

Employee Motivation

The topic of employee motivation was very prominent amongst participants. Most interviewees indicate that the desire to remain relevant in the labour market is an important motivation to support CSR. For example, the following sentiment was expressed by one respondent and echoed by several others:

[…] there is already a perception that the talents you intend to attract, retain and develop in your company are seeking and opt to work in companies that have that sense of purpose. And these people would not like to work in companies that seek profit for profit, results for results. (P6)

The relatively high importance of this driver through the lens of business leaders is well understood in light of the Brazilian labour market, since one of the country’s biggest problems is shortage of qualified labour (OECD, 2016). This deficit, which is mainly due to Brazil’s historical underinvestment in education, may become even more critical with the recent decline of productivity in Brazil (OECD, 2020). Not to mention the increase of the human capital flight phenomenon called ‘brain drain’, which is aggravated in periods of crisis, which Brazil is currently experiencing.

Such a finding is also consistent with previous research that identifies that firms in Brazil play a much greater role in both training and retaining employees through human resource
development in comparison with countries such as the United Kingdom, where the
government also collaborates to the general education of the population (Abreu and
Barlow, 2013).

Shareholder Value

This driver stems from the intent of business leaders to add value for shareholders through
the generation of corporate financial performance and the provision of an “insurance-
like” benefit (Godfrey, Merrill and Hansen, 2009, p. 426). Although this driver is
extensively discussed in the literature, it was found that a relatively small group of
business interviewees spontaneously discussed this subject matter. It may seem counter
intuitive that business leaders who are primarily accountable to a firm’s shareholders did
not consider it as a primary driver; however, it is important to note that shareholders and
investors remain not explicit in demonstrating how important this agenda is (P7), which
might, to some extent, explain the low level of pervasiveness of this driver in the present
research. Overall, interviewees agree that shareholders seem to demonstrate an increasing
interest on this agenda, but this interest cannot yet be classified as pressure (P4).

Moreover, shareholders usually assess CSR practices exclusively for the firm’s
performance benefits. As one participant states, the shareholder has understood that “CSR
actions make sense because building relationships will build a favourable operating
scenario or disarm conflicts […]” (P5). Thus, it might also be the case that this notion
corroborates directly or indirectly to the fact that interviewees’ primary concern is related
to economic performance.

Risk Management

CSR has been observed as a crucial element of risk management (Jo and Haejung, 2012).
This is because CSR is frequently seen as a practice that helps to avoid or minimise any
potential negative impact of a firm and is also connected to the improvement of image
and the maintenance of good reputation (Jo and Na, 2012). All business participants
affirmed that support to CSR comes from, to a great extent, the perception that these
practices contribute to risk management, and not directly from the impacts caused by the
operations of the companies they represent. The data suggest that CSR is perceived as an
instrument to mitigate risks. As one participant describes:

    What is the first area that buy into sustainability? The Vice-Presidency of
    Risk. They entered without resistance. Why? Because they have a fuller view
of the positive and the potential negative impacts [...] they already have a more comprehensive mindset. (P9)

It is found that the current Brazilian economic and political scenario has driven companies to adopt a more thorough approach to risk, which includes and reinforce their commitment to environmental and social issues (P5; P7). It was clear that the crisis (or even the threat of a crisis) leads them to dedicate more attention to the short term (P10; P14).

Still, under this theme, this research finds that reputational risks and operational risks seem to be the most relevant for the participants.

Reputational Risks

The interviews revealed that most business leaders believe CSR can improve a firm’s reputation. The data corroborates findings of Bansal and Roth (2000), who point out that threats to a firm’s reputation are believed to undermine its long-term survival from the perspective of managers in Japanese and British companies, which led them to support CSR practices. Respondents often used the term “reputation” qualified by terms such as “basic” and “obvious”. For instance, one participant suggests that business leaders must understand at least the reputational risks, if they are not yet understanding the opportunities, because there is no other way to be a leader in the new economy (P2).

Operational Risks

Some participants highlight the importance of building relationships with the community they operate within. What seems to be implied, however, is that communities seem to be a relevant driver for business leaders only when they represent an operational or reputational risk that can therefore impact firm performance. This justifies this theme being treated under risk and not stakeholder pressure in this research. The following extract provides a good example:

[…] The risk area maps all the risks that we can encounter here. The social and environmental risks are all mapped there. Is this because I said this topic was important? No... This is because local communities can close the factories if they want to (...) they might create a huge operational risk. (P6)

For participants who run companies in high impact industries (those that inherently face persistent or emerging environmental, social or ethical issues such as oil, cement, biotech,
mining and forestry), this topic is even more relevant. For this reason, one might agree that the relevance of this driver to business leaders tends to be mediated by the industry sector in which they operate. Research carried out in the United States suggests that the top management of US firms in controversial industries is, in general, risk averse and that their CSR engagement helps their risk management efforts (Jo and Haejung, 2012). As one participant illustrates, “the forestry industry demands us to build solid and continual relationship with society” (P7).

4.1.2 Proactive Leadership

Although this driver has been increasingly considered in CSR literature, surprisingly a small proportion of interviewees spontaneously mentioned their personal role as a driver for CSR. It was interesting to notice that although most of the questions were directed to the leaders as individuals (for instance, “What motivates you…” or “What do you value…”), most participants answered in the third person or referred explicitly to the company. When asked about their peers, one participant confided:

When I look at my peers, I see that nowadays it would be too short sighted for the company not to look at this issue, so the leader will need to follow it even if it is not part of their true interests. (P6)

Still commenting about peers, most participants suggest that there is still a limited supply of executives in Brazil who personally act towards sustainability as a cause in itself. One leader who also runs the operations of the company in other countries commented, “the availability of leaders in Brazil and Latin America that are actively eager to participate in this paradigm shift is still low” (P3). This might be because the Latin American industry is very much linked to the price of commodities, which again requires leaders to be relatively short-term guided.

This finding appears to make more sense if the relatively short average of CEO tenure in Brazil is considered, and particularly the average of this research participants’ tenure: 4 years. Previous research has identified that a high corporate turnover may impact the long-term view aimed at sustainability (Le Breton-Miller and Miller, 2006). More importantly for this study, this relatively high turnover might reinforce the idea that CEOs may not have enough time to develop, build and implement actions based on their personal values (P12; P13). In fact, some interviewees argue that their discourse is still essentially linked to the mainstream (business and finance) because the market seeks
immediate results.

4.2 External Driving Forces

4.2.1 Legislation

Overall Brazilian companies are not under significant pressure from the government or other stakeholder groups to go beyond their traditional philanthropic approach (Sobczak and Martins, 2010). This is confirmed in this research as none of the participants mentioned governmental policies as a relevant driver of their support to CSR. Instead, interviewees explicitly denied the role of national policies in fostering corporate responsibility. In general, it is argued that regulation is relevant for the company, but not for the engagement of companies in more advanced initiatives such as CSR.

In a comparative study, Abreu et al. (2012) find that the regulatory side of the institutional environment is the main influence on CSR practices in China, while this is not relevant to Brazilian companies. At the same time, the authors affirm that Brazilian firms are more open to defining their own approaches to CSR in comparison with British companies, which tend to view CSR as a response to the institutional framework established by the government (Horrigan, 2010). This supports the need to go beyond ‘one size fits all’ approaches and to motivate a discussion about what CSR means in specific countries.

4.2.2 Stakeholder Pressure

In line with Brown et al. (2010), this research confirms that stakeholder pressure has not always driven responses from companies, especially in countries where civil society is not well organised or consumers are not highly engaged and motivated to pressure companies. These two situations can be found in Brazil.

Civil Society

In consonance with the above, none of the participants mentioned civil society pressure as a driver for their support to CSR. Rather, one participant spoke strongly about the lack of pressure from civil society and argued that this undermines the effort that some companies make to be recognized by society as front-runners (P4). Another participant pointed out that there are niches of conscious people for which sustainability is seen as fundamental, but this awareness has not yet achieved the visibility that the topic demands (P7). Again, this finding confirms Abreu and Barlow’s argument (2013, p. 582) that in comparison to other countries such as the UK, Brazilian non-specialized media seems to
be less interrogative and usually offers a superficial understanding of the business agenda, without providing critical analysis.

Consumers

A growing body of literature on CSR suggests that consumers have increasingly become the most important external pressure affecting the environmental performance of companies (Kim, 2017). Yet, the interviews reveal that little attention has been given to consumer pressure as one driver for leaders’ support of CSR. Although this topic was discussed with all interviewees, none affirmed that consumer pressure is the main driver of their behaviour. This appears to be because consumers are not generally demanding such behaviour from companies nor from business leaders. As one participant clearly points out:

Many (more sustainable) products have not had consumer acceptance as we would have imagined. The problem is that truly sustainable products are seasonal, and the consumer can be frustrated by not finding the products year round to buy. (P4)

This apparent contradiction in the literature might be because consumer pressure varies significantly from country to country. What seems to be evident is that this driver is certainly less important for the interviewees, even though market surveys usually show positive reactions from Brazilian consumers to CSR (Akatu, 2015). According to Carvalho et al. (2010), price may explain the gap between consumer awareness and action.

4.3 Underlying Values

The results confirm that business leaders are generally motivated by strategic, corporate values rather than altruistic, individual values. Following Hemingway and Maclagan (2004), strategic values are defined here as the degree to which interviewees are motivated by the overall effectiveness of the firm. Idealistic values are defined as the degree to which interviewees are motivated by their personal values towards environmental and social issues and the sense of personal fulfilment.
4.3.1 Strategic Values

All interviewees affirmed that their support CSR is directly linked to business strategy. For example, the following thought was expressed by one participant:

Supporting and incorporating CSR improves the quality of strategic planning. It is related to who can create a value proposition that is consistent with the transformation the company is experiencing. […] It is the quality of the planning that is the driving force. (P6)

This passage reinforces Donald Siegel’s viewpoint about strategic CSR in the remarkable 2008 letter exchange with David Waldman (Waldman and Siegel, 2008). In their dialogue, Siegel opposes the rationale of ‘values-driven’ CSR and instead argues that: “executive decision-making should be focused exclusively on profit maximization […] the best strategic leaders know how to use CSR instrumentally.” (Waldman and Siegel, 2008 p. 5)

One of the clearest findings of this research is how constrained by the corporate performance the participants appear to be. Participants often referred to phrases such as “a strategic vision necessarily implies understanding sustainability” (P5), “a CEO mostly wants to do the right thing for his company” (P1); “CSR is a business theme” (P6); “The majority of advanced companies seek to practice sustainability in what we call the mainstream of the company's operation” (P9); and, “The (name of company) already incorporates sustainability as we incorporate the management of quality, production, cost, safety. This is a security dimension” (P10).

4.3.2 Individual Values

Only two interviewees spontaneously reflected on their individual values. In both occasions, they did so to comment on the combination between their own values and firm values, for instance:

I like to believe that we are part of a larger movement of people interested in building a better world. For me, this is important […] I have worked in traditional industry and government, etc., but (name of the company) has a good balance between economic and personal rationality. (P4)

It might be the case that this is a confirmation of Harrison’s (1975) thesis that it is more likely that a leader will accommodate their personal values to the purposes of the
organisation to further their professional aspirations instead of pursing their own personal values if these do not fit into the organisational culture.

This finding challenges Petrenko et al.’s (2016) thesis that CSR is likely to be a response to leaders’ personal needs for attention and image reinforcement. One respondent confided that there is a significant minority of Brazilian CEOs who may want to build an active image on sustainability for the sake of their own reputation: “It may seem incoherent, but we are not at that stage yet” (P10). Another participant clearly stated that current CSR practices are motivated much more by risk management and economic necessity than by leadership and a genuine vision of a sustainable proposal (P9). It seems sensible, therefore, to agree with Singhapakdi et al. (2001) in their view that leaders’ behaviour will be more socially and environmentally responsible only if they consider it as necessary for organisational effectiveness.

5. CONCLUSION

This paper has investigated the antecedents of CSR by exploring it through the lens of leaders who are in charge of Brazilian companies that champion CSR initiatives. More specifically, this study has explored the driving forces behind business leaders’ support to CSR and the main values underlying their support. By doing so, this research has addressed an imbalance of CSR literature towards the consequences of these practices and has contributed to the advancement of a South-centred CSR agenda.

It is confirmed the overall adequacy of the categories of the drivers and motives of CSR propounded by the literature, but their significance varies in Brazil. It is shown that leaders are largely driven by internal drivers related to economic performance (economic opportunities and risk management), less by proactive leadership, and even less by external drivers such as legislation, consumers or civil society pressure. From the perspective of business leaders, external pressures from the government, civil society and consumers are failing to create an environment conducive to the uptake of CSR in Brazil. Possibly not limited to this study, a framework was drawn to summarise the multiple factors that may drive the behaviour of business leaders in CSR.

The paper also shows that Brazilian business leaders’ support to CSR seems to be linked more to corporate and strategic values rather than personal values of the leader. That is, there is evidence to believe that CSR practices in Brazil have little to do with individual responsibility and personal fulfillment, but rather with an aim towards overall business
effectiveness. The manifestation of CSR seems to be mainly a function of business strategy and a dimension of business strategic planning in Brazil, which explains the largely strategic nature of CSR practices from the perspective of the leaders. For them, CSR is primarily a strategic response to commercial pressure or an opportunity for improvement and for standing out in the market. At the same time, it is relevant to point out that there are no conclusive studies that prove the effectiveness of the impact of CSR practices that justify investments in this area.

Contextual and institutional national settings are considered throughout the analysis to explain the differences encountered in similar previous studies conducted in other countries. Challenges in terms of productivity, inefficient logistic systems and delayed domestic and overseas investments demonstrably create a hostile environment for business, which could explain why the commercial imperative is found to be the most salient CSR driver from the perspective of participant business leaders.

This study opens several areas for future research. First, it would be relevant to conduct an in-depth analysis of each one of the drivers identified here. For instance, future research could be conducted to better understand the phenomena of employee motivation in driving business leaders to support CSR and how CSR practices affect human resources policies and employee behaviour inside the companies. Second, future research could address how the differences in leaders’ ethnic backgrounds or gender may impact their approach to sustainability, as well as understand drivers and motivations through the lens of gender. Third, future research could combine thematic with discourse analysis. This would allow for the identification of both explicit and implicit content, as discourse analysis might help reveal hidden motivations and drivers. This would also contribute to the systematization and theorization of how internal and external factors are related.

References


