Corporate Social Responsibility: Profile and Diagnosis of 797 Programs Developed in Brazil

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This research aimed initially to profile socially accountable companies and to diagnose the existing social programs to propose research projects aimed at understanding how social responsibility (SR) programs can influence the lives of company employees, their family members, society, and social, economic and environmental sustainability. This experience will provide the knowledge and theoretical and practical bases needed to propose the development and implementation of new social programs, and/or how to fit the existing ones to the needs of employees and their families.

In 1970 Milton Friedman wrote that "there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." Even if his statement is correct, there may be a role for socially responsible decisions to add to profits, or the "proper" way to conduct business may be influenced by the culture in different countries. Corporate social

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responsibility (CSR) is an issue of extreme importance for Brazil's socioeconomic landscape, especially in view of the increasing economic concentration, social inequality, and environmental imbalance. In addition, the well-being of individuals and their family members is increasingly dependent on the integrated and cooperative action of all economy sectors, whose main goal is the promotion of human rights (Steurer et al. 2005).

Since the government alone has not been able to efficiently provide the population basic needs such as health, education, and culture, the private sector has been increasingly adopting a policy of CSR. Thus, public–private partnerships have reinforced the then so-called third-sector entities. The importance of CRS has been disseminated in the world, increasing the private sector's interest in investing in these programs. Due to the deep implications of good corporate citizenship, knowledge on the availability and scope of such programs needs to be further acquired, in view of the fact that growing interest of the private sector in CSR is recent. As stated by Arantes et al. (2004, p.133), "Practicing social responsibility is a powerful weapon to strengthen the corporative image and make the company recognized in the business world and by society as a whole."

Furthermore, tax policy can encourage decisions that are socially responsible. The Roaunet Law is the major incentive offered by the Brazilian government to companies investing in SR programs. It allows projects approved by the National Committee of Culture Incentive (CNIC) to be sponsored and receive donations from companies and individuals, who are eligible for partial income tax deductions.

The primary objective of this study was to diagnose companies in Brazil involved with SR programs and to offer some insights into the way corporate discourse and concrete action interact. It also intended to differentiate paternalistic or "assistentialist" programs from programs promoting genuine social change. According to Witzel (2006), charitable behavior, based on paternalistic actions, planned to redirect publicity from unsavory business practices is not SR. Social responsible practices are based on providing excellence and conveying value to society. This study has an exploratory nature, since no prior literature data on this issue was found, and seeks to investigate and promote a contemporary reflection on these aspects.

LITERATURE REVIEW

Although "social responsibility" is not a new subject, since such programs have existed since the beginning of the 20th century in Brazil, it was only after 1980 that organizations began to massively invest in social programs. Within this new scenario, companies started to understand the severity of social problems, and take responsibility for areas to which the government could not efficiently provide, such as education, health, and housing (Boudon 2002). SR actions are essential in countries such as Brazil, with 40.6% of the population having no access to basic services, characterized by economic growth stagnation, increasing unemployment, social inequality, poverty, hunger, and social exclusion (Brazilian Institute of Geography and Statistics 2004). Within this context, companies play an important role as agents of economic development and technological advances, with a great capacity of creating and generating resources. Companies are becoming aware of the fact that, although profitability is their first goal, they can also achieve social and environmental objectives by combining SR and strategic investment with their management tools and operations.

Many businesspeople who have adopted a new entrepreneurial profile based on a new code of ethics know that the government alone is no longer capable of meeting society demands. Business ethics translates as the behavior of lucrative entities according to moral principles accepted by all (Steurer et al. 2005). However, it should be noted that an ethical company is not necessarily a responsible company, i.e., it does not necessarily go beyond its "ethical obligations." However, a company that is truly socially accountable must practice an ethical conduct. Thus, corporate SR encompasses ethical values and principles adopted by an organization in all its relationships and actions. It won't do any good if an organization develops projects for the local community but, at the same time, fails to pay taxes and pollutes the environment (Daineze 2004). Although already accepted and understood by people, corporative SR remains to be more solidly established to be definitely included in corporate planning.

According to the European Communities Commission (2001), SR is essentially a pillar on which companies voluntarily decide to help build a more just society and cleaner environment. It may manifest itself in relation to employees, and more generically, in relation to

all the interested and affected parties, being able to influence the company outcomes. Szekely and Knirsch (2005) point out that social action programs improve the relationship between employees and company, their own personal development, the institution's image and reputation, the quality of life of the community, and community–company relationship. In other words, while companies become stronger, employees, their families, and the community are better assisted in their needs. According to Macedo et al. (2003), the action of corporative responsibility programs reflects in the well-being of the individual and his/her family, implying concepts such as motivation, satisfaction, pleasure, and pride, that may result in sales increase, quality of the products or services, profitability and overall company survival.

This new scenario assigns new power to people that, having the privilege of access to information, also have the responsibility to demand public and private actions. Thus, the roles of the government, companies, and individuals are altered, redefining the notion of citizenship, and establishing the consensus that a policy of social development requires the participation of new actors, rather than just the government (Steurer et al. 2005). However, this "ideal" situation is not easy to accomplish, once it needs to convert the dialogue with the stakeholders into practice (Pedersen 2006).

According to Paula et al. (2002), the programs most frequently developed by companies are directed to those areas the government has proved to be inadequate, e.g., education, culture, health, housing, safety, transportation, and sports. In this sense, companies do complement social needs that were not satisfactorily met by governmental institutions, representing a differential competitive factor in the short, medium, or long term. Within this context, a large number of private companies have become involved in a worldwide competition, in which convincing socially responsible consumers of their concern for individual/collective well being and environmental sustainability is crucial for entrepreneurial success.

Such new economic and knowledge conditions occur along another contemporary attribute resulting from a post-traditional society that Giddens (1995) calls "reflexive modernization," According to this author, "tradition must be more and more contemplated, defended, examined, in view of the awareness that there is a variety of other ways of doing things [. . .] In a time of thorough decon-struction of tradition, those who cling to it ought to ask themselves,

and be asked by others, why they do so" (p. 98). Giddens believes that the concept of tradition may apply to any institution, referring to the multifaceted presence of the institution in the life of individuals, society, and the government.

Society is increasingly supporting social interest causes, becoming more caring. Data from the ETHOS Institute of Social Responsibility (2005) show that 50% of the Brazilian consumers have reported having either rewarded or punished companies based on their social participation. In addition, 54% of the consumers reported that they choose to purchase products from companies known as socially accountable. Concerned about the aggregation of corporate values to their products, companies are increasingly reporting their social balances. On the other hand, society itself has sought to inspect and demand more from the organizations, turning what the latter used to see as advantages, i.e., competitive prices and product quality, into obligations, along with social actions (Daineze 2004).

Reporting business social balances was first stimulated with the creation of stamps that reward companies for their actions, such as: Social Balance Stamp, Children-friendly Facility Stamp, Citizen Company Stamp, and ISO (International Organization for Standardization) as well as environmental quality stamps.

> Social balance is a reliable indication of the human values really cherished by a company. It reflects the company's concern for its employees in terms of salary, food, education, health, work safety, transportation, day care centers, private wellbeing, scholarships, and profit share. It also lists its gross profit, operational profit, payroll, social taxes, paid taxes, and others, specifying each one of them, and how and when it invested in the community and environment. (Toldo 2002, p. 85)

As shown by the European Communities Commission (2001) through the implementation of commercial and cooperation policies for development, a European approach of CSR should reflect and integrate the most important context of various initiatives and recommendations. Under these conditions, being socially responsible is not restricted to meeting all legal obligations. It implies moving one step further, investing in human capital, the environment, local communities and other interested parties, as well as in issues involving social exclusion conditions, such as child labor, slave labor, social and racial discrimination, and human rights.

In view of the wide range of implications and fields involving CSR, further knowledge and studies are needed in this area to identify corporative citizenship programs in order to expand a potential domain for new partnership studies involving private, public and academic entities.

METHOD

As methodological procedures, the following aspects were addressed: study sites, population and sampling process, data collection methods, and obtained data analysis.

Sample

Brazilian companies were chosen as the site of this research since previous studies had focused on mapping the companies and describing the existing programs without making a distinction between paternalistic or assistentialist programs and programs promoting human and social capital. In addition, no previous studies had focused on the perception of those offering such programs (corporate leaders), addressing not only the needs of the individual as an employee but also as a family member.

The population studied comprised Brazilian companies that have and/or implement some type of CSR-related program. A question-naire was sent to 1,700 companies registered. The sample consisted of the companies that answered the entire questionnaire and that invest in social actions (11.17%).

Data Collection and Analysis

Initially, visits to some companies were arranged to learn about their work and to use this knowledge as a basis for the question-naire, which was created and applied during the first stage of the research and sent to three companies as a pretest. Some changes were performed and, to avoid biased answers and, consequently, biased results, these three companies were excluded from the final sample. The questionnaire was made up of 15 multiple-choice and essay-type questions regarding the date the company was founded, number of current employees, company location, areas of CSR

addressed by the company, number of programs developed in each of the cited areas, and target-public of these programs among others, and sent to the 1,700 companies selected. Company documents (secondary data) were analyzed to obtain a better understanding of the scope of action of the companies involved and to compare the registered data with those provided by the questionnaires (data triangulation).

When the questionnaire answers were received, a mapping of the companies was carried out according to region and diagnosis of the existing social programs and their scope of action was made.

Following data tabulation and analysis, the second research stage was initiated, consisting of semistructured interviews of the companies' social area supervisors. The answers allowed to analyze the perception corporate leaders have of the costs and gains ensued by CSR-oriented programs implemented. In addition, the interviews allowed diagnosing how corporate discourse actually translates into concrete individual, collective, and/or environmental CSR programs and projects, inside and outside the company.

RESULTS AND DISCUSSION

After the data were transcribed, categorized, analyzed, and averaged numerically, a summary of the typical participant in this study could be drawn. The profile is based on the demographic data obtained both through the use of questionnaire (primary data) and analysis of company documents (secondary data).

For the organizations studied, a total of 797 programs were found, with some consisting of subprojects, still to be analyzed.

Three options were provided to determine the companies' type of association: private association (participation of private capital only); public association (most investment comes from state capital); and mixed association (use of private and public capital half and half or close). According to the answers analyzed, 92.53% of the companies are private 4.47% public, and 2.99% mixed.

Regarding date of foundation, around 35.82% of the institutions were founded before 1960; 32.83% between 1960 and 1980; 26.86% between 1980 and 2000; and only 2.98% after 2000. These data show that the majority of the companies (64.18%) can be considered young.

Data on number of company employees showed that 3.22% have fewer than 50 employees; 16.13% have between 50 and 100; 33.87% between 100 and 500; 17.74% between 500 and 1,000; and 29.08% more than 100. Five companies were excluded for not providing the data.

Corporations' SR Policy

Regarding CSR, given that all companies were involved with social action, the question was for how long such investments were being performed. Of the companies studied, 46.15% had been investing in social actions for less than 5 years, 42.30% between 5 and 10 years, and 11.53% for more than 10 years, showing that consolidation of social investment by Brazilian companies is a recent phenomenon, as pointed out by Boudon (2002).

To classify the existing social programs, the following nine major areas were determined: environment, education, health, culture, sports and leisure, technology, economy, social, and safety, subdivided according to the types of programs into which they could fit, with this classification being made according to data provided by the companies.

Most companies act simultaneously in several areas, with only 12 (17.91%) investing in only one of the above-mentioned areas. Of those involved with more than one SR area, 46 companies (83.63%) were involved with education; 42 (776.36%) with culture; 40 (72.73%) with social issues; 40 (72.73%) with environmental issues; 32 (58.18%) with health; 24 (43.64%) with sports and leisure; 20 (36.36%) with economy; 17 (30.91%) with technology; and 12 (21.82%) with safety.

Correlating the number of employees (company size) with the area where they are most active, it was verified that companies with fewer than 100 employees are closely involved in cultural, environmental, and social areas (4.16% of the companies for each area). In companies with 100 to 500 employees, the social area stands out with 12.5% of the companies. Education is highlighted in those with 500 to 1,000 employees, with 8.33% of the companies. Finally, those companies employing more than 1,000 employees are equally involved in the cultural and environmental areas (14.58%), with most of the latter ones being characterized as heavy industries (aluminum, automobile, etc.). This may explain their greater

involvement with such areas, since they supposedly cause more damage to the environment and nearby communities. By embracing such areas, these big institutions try to reduce such damage by developing SR programs aimed at the recovery of the ecosystem, cultural growth, and improvement of the quality of life of the surrounding community.

The following groups were analyzed to determine which was the most targeted by CSR programs: community; employees and/or family members; teaching institutions and/or students/educators; children and adolescents; retirees/elderly citizens; other companies; the handicapped; and athletes. A total of 577 social programs are developed by 89.55% of the companies having the local community as target-public; 67.16% of the organizations offering a total of 322 programs attend children and/or adolescents. Employees are the target-public in 312 programs, developed by 61.19% of the companies, showing their interest in the promotion and enhanced satisfaction of their employees. It should be noted that social investments provide the company many benefits, such as higher-skilled labor force, as a result of employee training, and enhanced personal satisfaction, as a result of the ability to attract and retain employees.

Since CSR is seen as a recent concern of private organizations, the number of programs found may confirm such observation and reveal the new ethical awareness among corporate leaders. However, as promising as these data may sound, the difference between programs that contribute to human development and paternalistic ones should be stressed.

In this study, the following were classified as assistentialist programs, within the subdivisions of the areas studied: donations (distribution of food staples, school material, clothes, shoes, etc.); sponsorships (sports teams, school works, etc.); real estate restoration; and other programs showing similar characteristics. Since 12 companies (17.91%) did not specify the type of programs developed, totaling 114 programs (14.30%), they were not included in this analysis. Other six companies (8.95%), that do not promote assistentialist programs, either, were not included in the analysis. Established in the metropolitan regions, the latter ones promote at least two SR programs with only one of them holding over 200 employees. Thus, 73.13% of the companies promote assistentialist programs, corresponding to 32.83% of the 673 programs developed.

Correlating the number of assistentialist programs with the size of the company (number of employees), it can be verified that small companies develop fewer assistentialist programs, having the smallest percentage of programs classified as such (12.50%). The highest percentage of assistentialist programs was found in companies with 100 to 500 employees (44.55%), exceeding companies with more than 1,000 employees (25.50%), with most of these medium-sized institutions being established in the metropolitan regions. It was also observed that the mean number of assistentialist programs per company, according to number of employees, i.e., while small companies offer only one program per company, the big ones (with more than 1,000 employees), offer a mean of 5.05 assistentialist programs per company. These organizations develop a total of 109 programs, with 46 (42.20%) being considered assistentialist.

It was verified that many companies work in partnerships to conduct the programs. The questionnaire applied asked who these partners were, providing the following options: government (federal, state, and/or city); community; nongovernmental organizations (NGOs); other companies; schools and/or universities; churches and/or religious entities; and others. Although 53.73% of the companies did not answer this question, most who did reported having more than one partnership, mainly with NGOs, (41.93%), followed by schools and/or universities (38.71%), city halls and/or related organs (32.26%). Government partnership (federal and/or state) ranks sixth together with community partnerships (19.35%). Other partners are companies (25.80%) and religious entities (9.68%).

Corporate Leaders vs. Social Investments

Of the organizations studied during the first stage of this research, seven companies were chosen to the second stage, and their leaders were interviewed. One of these companies represented has fewer than 500 employees; three have between 500 and 999 employees; another has between 1,000 and 4,999 employees; a sixth one employs between 5,000 and 9,999 workers; and the last one, more than 15,000 employees.

Regarding type of association (private, public, or mixed), 100% of the corporate leaders reported that their companies were private associations; three founded in the mid-1950s, three in the 1990s; and one after the 1990s.

Since all the corporate leaders herein examined represent organizations involved in social actions, when asked what their idea of "social responsibility" was, all stated that this concept refers to business accountability through sustainable development. A leader of a company employing between 500 and 999 employees defined CSR as: ". . . to recognize their responsibility towards social development. Socially accountable companies take into consideration the interests and expectations of all their stakeholders when planning their activities."

Corroborating with this idea and also recognizing the importance of investing in socially responsible actions to expand the company activities, the leader of a corporation with over 5,000 employees reported that "Social responsibility promotes a vision of business accountability associated with sustainability, economic, environmental, and social concepts to build a scenario compatible with the continuity and expansion of present and future activities." As indicated by Simpson (2006), businesspeople who ignore the environmental and social impacts of their practices risk damaging the reputation of their brands.

One of the leaders of a company employing over 1,000 workers reported that his company uses the ETHOS concept of SR. According to Toldo (2002, p. 73), the ETHOS concept states that "the issue social responsibility goes beyond the company's legal stand, philanthropic practice, or community support. It means a change of attitude, a perspective of business management focused on the quality of relations and generation of values for all: "We use the ETHOS concept that social responsibility is an ethical relation with stakeholders and the company, rather than letting the government alone be responsible for society. Social responsibility is a company's asset, rather than an obligation."

The idea that CSR goes beyond investing in social programs was also conveyed, as it is based on the company's daily relationship with the target public:

I believe social responsibility means not only generating profits for the company's stockholders but also innovating and creating a sustainable business in the long run in the benefit of the interested publics. When I think of social responsibility, I do not see it as a distinct and separate action, but rather as inherent to everything. I am not talking only about voluntary philanthropy or community investment, although these are

important aspects, but about the impact of operations and products, as well as the interaction a company should have with the local society. (Leader of a company with 500–999 employees)

The analysis of the answers shows that the interviewees recognize the importance of working in a socially accountable company, highlighting the common gains obtained by the company (producer), society (consumers), and the environment.

When asked how a given institution matched the concept of SR provided by their own leaders, an inversion to most the answers provided was obtained, i.e., that the concept of SR matched the company, rather than the other way around, as stated by the leader of a company with 500–999 employees:

Operational management, transparency, and diversity are aspects that guide responsible behavior of companies worldwide. Thus, CSR is part of the essence of a company's business. It is present in its corporate operations, management practices and relationships with stockholders, employees, consumers, clients, suppliers, community, and the general public.

It was seen that social concern is part of the managerial model followed by the institutions, which determine the projects and activities developed to meet the interests of different publics.

Since the beginning of its activities, our company aimed to fund social and economic development of nearby communities, their environmental recovery and rational use of natural resources as a form of ensuring a successful business. These principles were included in its "Mission" and "Vision" guidelines, along with its long-term strategic goals. Thus, daily decisions at different levels take into account the principles of CSR and sustainable development. Hence, the concept is part of our management model. (Leader of a company employing more than 5,000 workers)

The company has attempted to improve the daily relation with each segment of society it relates with, contributing to the economic and social development of Brazil. It has organized work teams and direct communication channels with the public, as well as social responsibility work groups involving suppliers, and various community-oriented social projects on education, cultural production at schools, joint government

social programs, and working with the 1st, 2nd, and 3rd sectors, in addition to productive processes approved and certified by legitimate environmental organs. (Leader of a company employing more than 15,000 workers)

Consumer opinion influence on the company's strategy of social project development was also acknowledged by the leader of a company holding between 100 and 999 employees: "When defining the company's business strategy, consumers' needs and opinions should be especially taken into account so that the company and stakeholders' goals can be achieved."

In addition, two of the companies have set up a foundation for the elaboration, implementation, coordination, and development of social programs; these corporations rank among the three largest ones (number of employees) being analyzed. Four of the interviewees reported that their company has promoted SR programs since its foundation, while the other three have been involved, on an average, for seven years. The two corporations that kept special institutions to deal with this issue stated that these had been recently founded. Although the leaders declared they understood the concept of SR and that the company's history was based on such concept, they stressed that concern with the company's commercial survival was the main reason for having invested in social-oriented programs. As stated by the leader of a company employing 500–999 people, "It is not possible to survive in the market without social responsibility; a healthy company cannot cope in an unhealthy environment."

The social role the company must play and its importance to society were reinforced in the answers, as shown by the following statements: "The company's executives are aware of its social role, importance to society, and contribution to social integration. Thus, the company has voluntarily developed projects over the years, believing that something positive can be accomplished" (leader of a company employing fewer than 500 workers).

Company X is a company that strives to act in a responsible fashion towards the surrounding communities and environment. The challenge of being socially accountable is part of its history and way of doing business, i.e., showing respect for the local cultures, interacting with the communities, and promoting economic development. (Leader of a company with 500–999 employees)

> The company's interest in social development, environmental preservation, and rational use of natural resources has always been linked to its main goal of ensuring a continuous development of the commercial or industrial activities performed by the company. (Leader of a company with over 5,000 employees)

When questioned why the notion of SR has spread so much in the last years, companies stressed that the government alone can no longer meet all the community needs, ". . . our government cannot meet all the needs of our community. If companies can cooperate in this aspect, there is no reason why they should not" (leader of a company with more than 500 employees).

It was equally mentioned that these actions also refer to the notion of company's sustainability: "Companies that do not consider corporate citizenship as one of its priorities will have difficulties with long-term success and continuity" (leader of a company with fewer than 500 employees). These ideas agree with those of previous authors such as Boudon (2002), Steurer et al. (2005), and Paula et al. (2002), who report that companies began to take responsibility for deficient areas such as health, education, and housing.

Regarding the company's major area of social investment and the reason for choosing it, six interviewees unanimously declared that they had chosen that particular area based on the needs of the local community. Only one reported that the company did not select a priority area:

> The company did not prioritize any particular area. Our priority has always been to meet the expectations of the community. The company has invested in the most urgent needs such as urban planning, construction of health clinics, schools, hospitals, clubs, etc., to create a social and urban infra-structure conducive to attract and retain employees in the company. (Leader of a company with more than 5,000 employees)

Education was the most outstanding area selected by the companies, i.e., most interviewees stated that most of the funding available is invested in education, often combined with environmental and/or cultural issues. Only two mentioned this area as priority for the company's investments; one stated that education and environment

were the most important pillars of the institution policies, while another said that education was as important as health, culture, and communitarian development, and that these areas have priority for investment, since ". . . We believe these areas are important for the sustainable development of society and are part of the company assets" (Leader of a company with 500–999 employees). Health was cited by one interviewee as priority area for his company, since it benefits both employees and community, besides being deficient in the region, and another interviewee cited sports and leisure as their current priority area.

The leader of another organization reported that their priority was both education and environment, since these areas are directly linked with the product commercialized by the company. This idea is shared by Szekely and Knirsch (2005), who argued that many companies have initiated a variety of social investments to address the demands and expectations of society in isolation of their business activities and strategies.

> Environment and education are the company's priorities in its interaction with the community. Environmental principles are applied to car-making activities, translated into environmental norms that will become mandatory in the future, and adoption of productive processes, making it the first car company to be awarded the 14,001 certification. Education was chosen because it allows working with traffic safety, cultural production promotion at schools, and social inclusion. Culture and health have been extensively explored but lacked formal policies of investment, planning, and strategy. (Leader of a company with more than 15,000 employees)

Of the answers provided, five companies mentioned taking advantage of the Rouanet Law, as well as of other laws specific for each region (municipal laws) to help implant social-oriented programs. One of the interviewees mentioned that 10% of their investment in social action receives federal government incentives. Another company reported using only municipal and state incentives. Six corporate heads stated not receiving other types of incentives, apart from these laws.

Concerning the total amount invested in CSR programs, four of the company heads did not provide figures, with one of them mentioning the company's social balance as an indicator of such data. Of the other three, one invests around 1% of the company's

profit (company with fewer than 500 employees), whereas others (with more than 5,000 employees) invest over one million Brazilian reais (about $500,000).

Regarding corporate publicity campaigns, six of the analyzed institutions stated that this is accomplished internally (employees) and externally (general public). Internally, strategic dissemination is done through internal newspapers, murals, calendars, employees' newsletters, intranet and memos. Externally, it is accomplished through folders, press conferences, posters, informative electronic bulletins, lectures, debates, participation in business seminars, and award-winning events. The Internet and social balances are also reliable indicators of progress in the field of CSR both internally and externally.

> Mixed dissemination methods of social responsibility action are applied by the company: internally, magazines for the employees and their families, intranet, directed communications, and message board are used and, externally, the media is the major form of dissemination, besides informative electronic bulletins, lectures and debates at schools and universities, participation in business seminars and award-winning events, *in loco* visits to projects, and information via Internet. (Leader of a company with more than 15,000 employees)

One head stated publicity of social actions is directed toward the interested public, who is not the final consumer of their products. He makes it evident that the mode of publicizing social actions depends on the extent social investment influences product consumption.

> Dissemination is basically directed to the interested public or those involved in social, cultural, or environmental activities. The company is at an intermediary level in the productive chain, not having any contact with the final consumers of our products. Thus, such initiatives do not influence the behavior of the final consumer of our products. An annual report of the company's social budget is published, listing the main social, cultural, and environmental achievements in the social area. (Leader of a company with more than 5,000 employees)

When asked whether publicizing social activities makes a difference and, if yes, how it influences the consumption of products made/ sold by a given company, four of the corporate heads were unable to

measure this. Two others said that although they did not believe in the direct relation of social actions and product consumption, these actions might lead to a positive image and reputation of the company in society. One of them stated that especially when buying more expensive products, consumers' purchasing decision is based not only on the company's social investment but also on other factors, such as brand, model, and personal preferences.

> Nowadays, consumers' preference for products made by socially accountable companies is being observed. Products with final lower price such as cosmetics, toothpaste, clothes, choice is more directly linked to social responsibility, since a difference in cents may represent a conscientious consumption decision. In the automobile market, whose products are unaffordable for the majority of the population, customer's decision is not linked only to the company's social action image but also with brand and product characteristics. (Leader of a company with more than 15,000 employees)

Another question concerned the gains social investment provides companies in the production area (employees), administration, and ultimately, consumers. Regarding employees, some of the cited advantages were: more caring employees; guaranteed well-being and tranquility; confidence; and pride in the company.

> The actions of social responsibility directed to the internal public ensure well-being and tranquility to the employee and his/her family, since extra benefits, such as: directed communications; entertainment and leisure; medical, dental, and psychological assistance; are provided. (Leader of a company with more than 15,000 employees)

Regarding company administration, the gain was valorization of the company's image and its consolidation as socially active and participative in the community. The interviewees did not mention any consumer gains but again stressed a stronger company image and identification of the consumer with the company's brand: "As a result of increasing company–community interaction, the former is seen as a partner of society as a whole, and not only as a commercial institution, thus increasing consumer identification with the brand" (leader of a company with more than 15,000 employees).

For the question whether investment in SR brings any loss to the institution, four corporate heads answered no, two said they had

not observed any, and the head of a company with 500–999 employees cited as loss the lack of volunteers for the production area and the management's need to set up and keep an adequate structure for CSR responsibility-related activities.

When asked if any change had occurred in the company's dynamics following the implementation of social actions, two of the interviewees answered no, explaining that SR is an asset to the company, permeating all its actions. In contrast, five answered yes, giving the following examples: growth in the number of voluntary employees, turning the company processes into more "human" issues, and creation of SR foundations.

> An institute was created in response to the company's aspirations to better qualify its social investments and formulate long-term structured actions. Another objective was to functionally adjust administrative practices that might hinder social responsibility projects. For instance, changes in donation procedures, volunteer recruiting, among others. (Leader of a company with 500–999 employees)

Asked which target-public had been the most benefited by the company's social investment, five corporate heads answered the community. One of them emphasized that the most favored public is a mixture of all the interested parties:

> Corporative social responsibility is intrinsic to the whole decision-making process of the company, be it an operational decision on equipment maintenance involving occupational health and environmental aspects, or a complex decision involving new undertakings. All these decision-making processes end up having some impact on one or more of its interested parties. By interested parties we mean stockholders, investors, employees, customers, suppliers, communities, the general public, and NGOs. (Leader of a company with more than 5,000 employees)

According to the corporate heads, the benefited public reacts in a positive manner to the company's social investment, being very receptive:

> Opinion polls are conducted, especially on the social benefits provided by the foundation set up by the company. All this survey is part of mechanisms aiming to constantly improve the programs and processes. In general, the beneficiaries show

their appreciation for participating in some of the social or environment-oriented programs or processes directly or indirectly promoted by the company. Given the importance of the company's social initiatives, many of the indicators analyzed are related to the Human Development Index (HDI) established by UNESCO, World Health Organization and Millenium Goals indices recently established by the UN. However, there exist specific indicators adopted in function of the specificity of the programs, projects, or processes regarding the target public. (Leader of a company with more than 5,000 employees)

It was also asked whether the company developed any program aimed exclusively to the employee's family or families in general. Two heads of companies with 500–999 employees mentioned they did not have any program attending this public specifically, while the other five said they offered their employees programs which were extended to their families, such as: health insurance, dental care, housing, sports, and leisure (clubs). One added that programs conducted in schools aim to integrate parents and children.

Specific family programs are available both in the SR actions for the employees, and in social inclusion programs for the community. Several benefits are also available for the employees' families, such as: extensive medical and dental assistance, club membership (sports activities, summer camping, etc.), food stamps, educational incentives to the employees' children (annual contests and prizes), debutant parties, Christmas celebrations for children aged 0–12 years, wedding dinners, and celebration of big events for the employees, their families and friends (Christmas and Labor Day). (Leader of a company with more than 15,000 employees)

Finally, when asked the reason for massive investment on SR actions, and whether this fact had a business, or personal/social nature, four corporate heads reported that social action promotion is a business issue that ensures social sustainability: "It is a matter of sustainability. Companies that do not consider social responsibility as priority will hardly attain long-term success and continuity" (leader of a company with fewer than 500 employees).

Companies that do not invest in society and do not take into consideration the demand of their public will tend to have a

short life, that is, will not be sustainable. Only by building an ethical relation among the interested parties will profit sustain the companies' actions and, consequently, improve the quality of life of society, permanently. (Leader of a company with 500–999 employees)

For the other three corporate heads, companies have become more aware of their social role, with well-being no longer only the government's responsibility—but the combined responsibility of companies, citizens, and government. One of the corporate heads also stated that some companies adopt a SR policy for conviction and others for convenience, and that the former will prosper while the latter perish.

It is both. Some companies promote SR for conviction and others for convenience. Our company does it for conviction, as many other companies, but others only invest for the sake of convenience, timing, and the prestige that comes along with social responsibility, creating a fake image of themselves. These companies do not survive. (Leader of a company with 1,000–5,000 employees)

Companies have become increasingly aware of their social role as agents of transformation of society for the better. Nowadays, companies that show ethics and respect can make profit while fostering sustainable social, environmental and economic development. (Leader of a company with 500–999 employees)

CONCLUSIONS

The main objective of this paper was to identify and analyze the scope of action of the SR programs developed by Brazilian companies. In addition, we sought to understand the perception of corporate heads regarding investments in the social area. Despite this study's drawbacks, such as most companies not responding the questionnaire and human and financial difficulties faced when visiting the companies, the data obtained have helped us reflect upon the social role of companies in society, as well as to analyze the existing programs.

Most of the analyzed institutions (58.20%) are located in the metropolitan region or have branches nearby. This can be explained

since labor and consumer markets are essential for the companies' long-term development, growth, and maintenance.

When correlating the results obtained during the first stage of the research with those obtained from the interview, it could be observed that private sectors are increasingly becoming more conscious of their social role in their community and environment, enforcing the new concept of business ethics. This could be verified through the SR concepts provided by the corporate heads, in agreement with statements by authors such as Boudon (2002), who feels that companies understand their responsibility for social problems in areas the government is unable to meet the community's needs. Also, corporate heads also emphasized the role social actions play for the company's sustainability, i.e., organizations have become increasingly aware of the fact that in addition to the benefits granted to the target-public, CSR policies promote valuable ethical and material gains within the company. Such reciprocity of reactions was described by one of the corporate heads as a win-win situation, for both company and stakeholders.

As reported by the corporate heads, the importance of SR is not translated only in terms of human and social gains, but also, now more than ever, in terms of sustainability of an organization faced with an ever-demanding consumer market. As one of the ways of maintaining long-term sustainability, companies use external and internal dissemination of good corporative citizenship programs, and although some corporate heads did not believe that publicity can directly influence the relationship between SR and product consumption, they feel it can lead to a positive impact on the image and reputation of the company in society. However, the idea that there is no direct connection between social actions and consumption may be mistaken, since a previously research by the ETHOS Institute of Social Responsibility (2005), cited that half of the Brazilian customers reported having either rewarded or punished companies based on their perceived social performance, and 54% reported that the ethical conduct of companies exerts a growing influence on their purchasing decisions.

Although many companies were found to promote SR actions since they were founded, private organizations have become recently concerned with developing more and better projects. Since the companies studied have been involved with SR programs for over 5 years, there was a tendency to invest in more than one social area,

i.e., organizations are seeking projects to supply different lacking areas. It can be stated that each organization prioritizes and seeks to develop programs and projects aiming to improve life conditions and integration of the local communities.

It was observed that the areas that received most investments were education and culture, and although these are truly deficient areas in Brazil, the companies' choice may be justified by the lack of government investments on these areas, as well as the tax incentive provided by the government so that more resources are directed to them (social balance stamp, children-friendly company stamp, citizen company stamp, etc.). Another important area for social investment is the environmental area, because of the companies' interest in the recently created environmental certificates offered to environment-friendly companies, such as the ISO's and environmental quality norms. This idea could be confirmed based on the corporate head reports on the use of the Roaunet Law by the companies, also adding that the availability of such incentive does not limit them to laws for the performance of their programs. This further validates the notion of citizenship and effort to minimize social exclusion, as proposed by the European Communities Commission (2001), in which being socially responsible is not restricted to fulfilling all the legal obligations, but also implies a leap forward, through investment in human capital, the environment, local communities, and relationship with other interested parties, in situations involving social exclusion conditions, such as: child labor, forced labor, social and racial discrimination, and human rights.

Regarding the way organizations perceive CSR, corporative responsibility is now a part of the institutions' management model, i.e., projects and activities are being developed to meet the interests of the different publics related to the company.

Another important objective of the research was to verify the number of programs effectively contributing to human development, in contrast with those having a simply assistentialist nature. Although corporative SR as promoter of citizenship and human rights prevails, "business marketing" also exists, through which many companies make use of philanthropy as a means of gaining prestige for being socially responsible. These data are in accordance with those by Steurer et al. (2005), who states that an ethical company is not necessarily responsible, since, in many instances, it does not go beyond its "ethical obligations," Thus, for a company to

be considered socially responsible, it should not restrict itself to actions considered obligatory, but rather go beyond that.

Correlating aid programs with the size of the institutions, it was verified that small companies developed fewer programs, also presenting the lowest program percentages. The highest percentage of programs was found in companies with 100–500 employees (medium-sized companies), outnumbering the big companies (those with over 1,000 employees). Since medium-sized companies are mostly established in the metropolitan regions, the increased number of assistentialist programs developed/implemented by them may indeed indicate that these programs are really paternalistic or business-oriented, since as previously mentioned, the metropolitan region is one of the most developed areas receiving most of the resources in the state.

Another analysis involving size and location of the company and number of assistentialist projects can be made by comparing larger companies (with more than 1,000 employees) with medium-sized companies. The former are established in the metropolitan region, which may indicate that the smaller number of assistentialist projects is due to a deeper awareness and application of the new business ethics, according to Arantes et al. (2004), who state that social investment reinforces the company's image and popularity.

When correlating the number of employees (company size) with its business performance, it was verified that both big and small companies have the possibility of investing not only in social actions, since the developed programs may extend to large publics, such as the community in which the company is established, but also in extremely restricted publics, such as employees. The difference may lie in the amount of available money to conduct social investments, capacity to involve different stakeholders in the proposed activities, and the area to which the programs will be proposed.

Thus, while analyzing the perception of corporate heads regarding the costs of having a socially accountable company, it can be said that, for the majority of the interviewees, it is extremely advantageous to invest in well-structured projects, building physical structure for program development, with labor involved with extra activities, spending on social action dissemination and balances, benefiting both company and society. This confirms the initiative of increasingly investing in the community as a main target-public, because many and different publics will be reached, such as employees, families, children, the

young, and the elderly. Thus, the quest for a better society promotes private–public partnerships for mutual benefit.

It can be concluded that, despite still being considered a fashionable issue, SR is a goal companies have pursued for a long time, resulting in improved programs and projects, which no longer can be seen as pure business marketing. Likewise, companies have become more participative and increasingly aware of the fact that these programs not only help foster better citizenship, but also minimize social differences and social exclusion, leading to positive outcomes for stakeholders, such as: more solidary human beings and employees; well-being and tranquility for the employee and his/her family; employees' confidence and pride in the company; and, customer loyalty. However, as suggested in a previous study (Shooley 2005, p. 74), there is a need for Brazilian entrepreneurs to build CSR principles at the foundation of their companies' products and services and how they conduct their businesses. As so, their primary focus should be "on how business is done, which involves a shift in thinking towards viewing CSR as a management practice that is essentially based on the conduct of business."

Based on the conclusions reached, we suggest the following questions should be addressed for further studies on SR: how are the programs developed by companies perceived by the worker? How do these programs interfere in the way employees deal with the family/paid work interface, according to gender and occupation in the company? What is the role of social programs as agents of empowerment of vulnerable groups and social inclusion? How can social programs contribute to the sustainable development of the community where the company is established?

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