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**Socially Responsible Attitude or Commercial Strategy:  
The Global Compact Case**

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## **Abstract**

The discussion about corporate obligations toward the various stakeholders began in the post-industrial era and developed to culminate in the creation of rules, regulations, programs and projects focusing on the dissemination and promotion of what we know today as Corporate Social Responsibility (CSR). In this context, satisfying this new demand and adopting social policies emerge as a determining factor in defining organizational strategies. Nevertheless, some questions are raised when we examine the subject, such as: To what extent should organizations intervene in society? Is the decision for the organizations to adopt a socially responsible attitude really linked to promoting social well being, or is it only a commercial strategy? How does social marketing relate to CSR projects?

The study herein, based on the concept and understanding of CSR theories, stakeholders and social marketing, has sought to find evidence of this relationship, in the light of the Global Compact. This Compact was a project of the United Nations (UN) in January 1999, by former UN Secretary General Kofi Annan, and consists of ten principles referring to universal human rights, labor rights, environmental responsibility and anti-corruption.

It was decided to use the multi-case study methodology, considering the possibility of explaining the reasons why the decisions were taken, how they were implemented and what was the outcome. Interviews, supported by previously prepared scripts, were held with CSR managers, employees from other areas of the organizations, and specialists on the subject. Complementary research studies were made in various sources, such as the website of companies under analysis, their sustainability reports, and the Global Compact websites in Brazil and the UN.

The results obtained show that the organizations have worked increasingly with CSR projects, but the efforts have not been focused. Special mention is given to the programs that create major impact on the company's image and reputation, such as projects competing for prizes and participating in the formation of rankings or socially responsible organizations. From the view of Carroll's Pyramid (2003) for CSR, it is found that the projects are predominantly focusing on ethical and philanthropic issues.

Social marketing emerges from this context as a valuable tool for promoting the image and reputation of the organizations and to seek to create a socially responsible identity.

When the information obtained from the interviewed employees was cross checked with the data collected from website research and company reports, an inconsistency could be found between the interview discourses and reported practices. The driving power of the Global Compact, action based on learning, dialogue and partnership, is not to be found.

This factor contributes to the statement that social marketing tools are used to build an ethical and socially responsible image, in detriment to effective action by the organizations to meet the social requirements of their stakeholders. Note, therefore, that the projects still mostly relate to promoting a socially responsible image rather than sustainable development as such.

Lastly, it is worth mentioning that undertaking the study from the Global Compact viewpoint – a useful CSR tool, distinguished by its self-regulation and involvement in an international political organization (UN) – allowed the matter to be developed consistently, based on the above conclusions, in addition to being able to provide suggestions for new studies on the subject.

Key-words: Global Compact, corporate social responsibility, stakeholder theory, social marketing

## **1. Introduction**

In recent years the social responsibility of organizations has been a widely discussed topic, with emphasis on the argument about which roles the companies must play toward society and in order to satisfy the interests of their partners in increasing wealth and maximizing profit.

The emergence of a leaning toward creating further social harmony, the result of developed post-industrial thought, brings with it the premise of equal results and emphasis on quality instead of quantity. This line of thought had its first great moment with the American and European populations' movement against the Vietnam War in the 1960s, with a view to boycott organizations connected to the dispute when it demanded that companies create a different ethical attitude, which culminated in the annual preparation and dissemination of reports with ethical and social information. At the same time, the development of the

globalized system in a fast ongoing process of innovation and renovation, the growing need for productivity gains and the ceaseless search for competitiveness caused companies to invest heavily in management processes that can give them a competitive edge.

In this context, society's requirement with regard to adopting a socially responsible attitude can be conducted by organizations as a great opportunity to develop strategies that fulfill the new demand of society, but which also potentialize their profitability and strengthen their image and reputation. The State itself has failed to do its job as generator of social well-being, and the growing concern with environmental, ethical and social questions has conveyed to companies a new responsibility toward society.

Many programs, projects, regulations and systems have emerged as support tools for organizing and controlling actions of social responsibility of organizations, but have also furthered another market of images, prizes and awards in detriment to effectively improving society's well-being.

From a new viewpoint, in 1999 Kofi Annan, then the Secretary General of the United Nations, launched a new ideal based on volunteer initiative, common learning, global dissemination of good practices and building a self-sustainable network of companies, non-governmental organizations, state and individuals that were able to improve living conditions by the will of those involved. The Global Compact (GC) therefore arises as yet another tool of social responsibility, but having self-regulation and support of a worldwide respected institution as main differentials.

Why then would companies make a commitment in this sphere? What is the guarantee that organizations would be ready to conduct volunteer projects committed to earn expected results, even with self-regulation? The purpose of this article is to understand the theories of Corporate Social Responsibility, Stakeholders and Social Marketing, to find evidence that the objectives proposed by the GC are being achieved, with answers to the following questions: what are the consequences of signing the GC for organizations in actions of social marketing and corporate social responsibility? How does the company make its decisions when adopting a socially responsible posture? To what extent is the development of social programs linked to organizational strategies? How have organizations regarded the relationship between corporate social responsibility and social marketing? How does the process of communicating

corporate social responsibility to the various stakeholders develop? How have the objectives proposed by the GC been conducted within the organizations?

The article is structured as follows: this section introduced the topic and objectives of the study. The next presents the GC and theories of Corporate Social Responsibility, Stakeholders and Social Marketing. The next discusses the research method, followed by the results. The article ends by discussing the main conclusions and suggestions for future research.

## **2. Global Compact (GC)**

In his speech in January 1999 at the World Economic Forum in Davos, the then UN Secretary General, Kofi Annan, called the world market leaders to participate in a new project focusing on contributing and disseminating the benefits of world economic development by volunteering corporate policies and actions (WILLIAMS, 2004, p.755). The project called attention to adopting new values and principles in the areas of human rights, labor rights and environmental practices. The UN understood that, while corporate citizenship was emerging as a world business trend, there was no international structure to help companies develop and promote global management based on values. With the consolidation of the Global Compact (GC) in internationally accepted principles, the participants could feel safe that their actions would be guided by universally sustained and endorsed values (United Nations, 2007). The GC was then launched officially on July 26, 2000. On June 24, 2004, the tenth principle was included relating to anti-corruption measures.

As stated by Cetindamar and Husoy (2007) the motivation to create the GC was basically ethical.

It is evident that the GC is solidly based on ethical values and that it is not easily related to all the arguments raised in ethical theories: emphasizing the stakeholders, concentrating on universal rights, concerned with sustainable development in order to achieve the common good (CETINDAMAR & HUSOY, 2007, p. 167).

Kell (2005, p. 71) says that the emergence of the anti-globalization movement before the 1999 meeting of the World Trade Organization (WTO) and the Asian Financial Crisis at the end of the 1990s provided the backcloth for idealizing the GC. These leading factors of the project were also complemented by the need to create a new era of cooperation between the UM and the corporate community, especially the multinationals, overcoming a recent past of mutual mistrust. The UN proposal to create a Compact based on mutual commitment, world

cooperation and learning on a voluntary and non-impositive basis encouraged immediate involvement and fast growth of the project (KELL, 2005, p. 70).

In Brazil the process of developing the project began in the first half of 2000, when the Ethos Institute for Business and Social Responsibility adopted a process of engaging Brazilian companies in the compact. At that time 206 Brazilian companies responded to the invitation and became signatories of the Compact. In December 2003, the Brazilian GC Committee was created (CBPG), including institutions representing the spectrum of GC participants: private sector, organized civil society, the academic world and United Nations (UN, 2007).

In Brazil, the GC consists of two main jurisdictions:

- GC network: a broader platform consisting of all GC participants in the country;
- Brazilian GC Committee: a smaller group, representing organizations and businesses, which guides, facilitates and encourages the signatories and other stakeholders to become part of the Compact and undertake programs related to the ten principles.

UN defines the GC not as a set of regulations or code of conduct for businesses, but as a basis for forums and dialogue in which mutual learning among businesses is furthered by examples of good practices (CETINDAMAR; HUSOY, 2007). The GC is unable to solve every flaw in global capitalism but can contribute significantly to creating a structure of shared values and mobilizing the skills and resources of the private sector (KELL; LEVIN, 2003). It was created to act as a benchmark and dialogue to encourage best practices and seek convergence around business practices with universally shared values, and not appointed as a code of conduct (RUGGIE, 2002).

The learning concepts, dialogue and partnership projects defended by the UM were accepted provided that the actual value could be added in the already saturated field of volunteer enterprises. The world trade unions were of the same opinion that the Compact could add value by furthering social dialogue at a worldwide level, complementing the efforts to establish effective national legislations (KELL, 2005).

Williams (2004) points out questions and discussions of various authors that regard the GC as one more code without follow-up/account rendering. The major criticism comes from non-governmental organizations (NGOs) that do not believe that globalization will bring

development to poor countries authentically and independently, even if businesses that have an impact on these countries are signatories of the GC.

According to Ruggie (2002), the major criticism against the GC by anti-globalization organizations is that the GC is not, namely, a regulating and monitoring model or code of conduct with a performance criterion. But, unlike the usual tools used, the GC has adopted the approach by leaning to induce corporate change, against traditional regulation. The adoption of this kind of practice is justified basically by the General Assembly's difficulty in adopting a single code that attends different organizations in different countries, because of the financial and logistics costs involved in global regulatory and monitoring processes and because of the likely non-acceptance by the business world of a UN-imposed code of conduct (RUGGIE, 2002).

### **3. The limits of corporate social performance and the Stakeholder Theory**

Many discussions have been raised in recent decades regarding the limits of the role of businesses in the sphere of their socially responsible obligations.

Starting with Friedman's viewpoint in 1962 about the shareholder's primacy, which is only emphasized by the company's responsibility towards its partners, and moving toward the stakeholder's viewpoint, which is a broader concept addressing the company's obligations toward all stakeholders and not just the owners (MUNILLA; MILES, 2005, p. 371)

The stakeholder theory, which emerged in the 1980s, is the outcome of the discussion on corporate social responsibility (MADARIAGA; VALOR, 2007). A stakeholder is defined as any group or individual that can impact or is impacted by the achievement of an organization's objectives (FREEMAN, 1984).

In the view of Donaldson and Preston (1995), the stakeholder theory is justified explicitly or implicitly in literature so that they correspond directly to three approaches: descriptive, instrumental and regulatory. Descriptive, in the attempt to show that concepts imbued in the theory correspond to observed reality. Instrumental that seeks to prove the connection between the participants and corporate performance management. Regulatory that is based on underlying concepts such as individual or collective rights, social contract or utilitarianism.

The stakeholder theory suggests that survival and organizational success are related to exceeding its economic (e.g. maximizing profits) and non-economic (e.g. corporate social

performance) objectives, which must meet the needs of the company's different stakeholders (Pirsch et al., 2007).

It is, however, worth mentioning that difficulty existing in relation to measuring such non-economic objectives, such as corporate social performance.

Managers are trained in production process management, marketing, finance, accounting, human resources. Administrators understand the meaning of responsibility in the context of these functional disciplines and understand the meaning of responsibility from the results of their decisions (CLARKSON, 1995, p. 98).

A distinction must be made between questions about stakeholders and questions about social problems, since businesses and their administrators create relations with their partners and not with society. Analyses are also necessary at the individual, institutional or organizational level. The it is possible to analyze and assess a company's social performance and the performance of its administrators in managing its responsibilities and relationships with its stakeholders (CLARKSON, 1995, p. 100).

Phillips, Freeman and Wicks (2003, p. 480 and 481) believe that the stakeholder theory is a theory of ethical and organizations management. It is different, because it explicitly adopts customs and values as a central element of the administration of organizations.

Preston and Sapienza (1990) say that a few surviving disciples of Milton Friedman continue to defend the theory that there are corporations fully in benefit of their shareholders, neglecting the management view toward the others involved, or stakeholder groups. However, Preston and Sapienza (1990) discuss the difficulty in achieving balance between the interests of all those involved, arguing that identifying stakeholders, quantity and diversity, has a significant impact on the concepts and mechanisms of balance to be adopted.

From the Ethos Institute (ETHOS, 2004) viewpoint, stakeholders are found in the different layers characterized by the nature of the ways in which they validate the interests of each. Market stakeholder relations are governed mostly by competition; social stakeholder relations, by cooperation. Hence the relationship with corporate social responsibility.

#### **4. Corporate Social Responsibility (CSR)**

Discussions about Corporate Social Responsibility (CSR) have become increasingly common in today's world, in which concerns for social well-being and the environment emerge as fundamental factors for human survival.

The concept of limited corporate responsibility began to change when, in the 1960s, justified by the American and European populations' protest against the Vietnam War, a movement began to boycott some companies involved in the war. At that time, a concern and, consequently, demand by society for a new ethical corporate attitude emerged to culminate in the annual drafting and publication of reports with social and ethical information, which developed into what is called a social report today.

According to Prout (1975, p. 19),

post-industrial thinking suggests a more common direction, with emphasis on creating further social harmony, self-update as a personal search, a proportional neglect for personal fortune, and a more bureaucratic approach to work. At the basis of this new order is the premise of equal results and emphasis on quality instead of quantity.

In 1960, Keith Davis suggested that social responsibility for entrepreneurs refers to decisions and actions taken for reasons, at least in part, outside the direct economic or technical interests of the company (CARROLL, 1991, p. 39). Around that same time, Eells and Walton (1961) argued that corporate social responsibility refers to problems that arise when the corporate enterprise casts its shadow over the social scene, and to the ethical principles that should govern the relations between corporation and society.

Social responsibility alone cannot carry the burden of the many challenges of globalization. But the corporate sector can progress in its own – and collective – cause, embracing universal values and concerns in its own corporate sphere, and weaving them into global market relations (RUGGIE, 2002). The stakeholder theory and activities of corporate social responsibility have been linked by demonstrating that the relationship between social discovery and economic-social performance consists of three dimensions: the power of the stakeholders, the business's strategic stance, and the company's economic performance, both past and present (PIRSCH et al., 2007, p. 127).

In order for corporate social responsibility to be accepted by the corporate consciousness, it must be framed so that actions in all areas of responsibility are included and suggests that four types of social responsibilities comprise total corporate social responsibility: economic, legal, ethical and philanthropic (CARROLL, 1991, p. 40), as shown in FIGURE 1. Carroll (1991) comments that all these types of responsibility have always existed to a certain extent, but only in recent years have ethics and philanthropy played a major role.

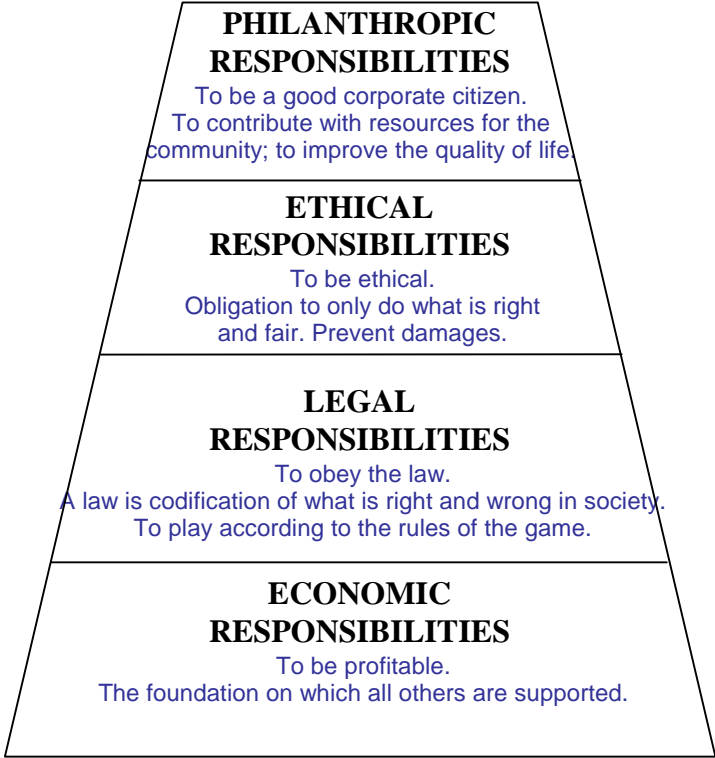


FIGURE 1: Pyramid of Corporate Social Responsibility  
**Source:** CARROL, 1991, p. 42

In FIGURE 1, the base is economic performance while at the same time expects from businesses to obey the law, because the law is the social code of acceptable and unacceptable behavior. Next, the organization is responsible for being ethical, which in its statutes is the obligation to do only what is right and fair, in order to prevent or minimize stakeholder losses. Lastly, good corporate citizen behavior is expected from businesses, where it is expected that they contribute with financial and human resources to improve the quality of life of their community (which may be the global community).

**5. Social Marketing: concepts and relation with Corporate Social Responsibility**

The first view of the concept presents marketing as the process in which a society in which the structure of procurement of economic goods and services is advanced or extended and

satisfied by the concept, promotion, exchange and physical distribution of such goods and services. Marketing does not occur unless there are two or more parties, each with something to exchange, and both are able to make communications and distribution (KOTLER; ZALTMAN, 1971).

However, this concept has been evolving over the years and a new marketing logic is emerging: to understand economic and social processes, including a network of relationships to provide every stakeholder with skills and know-how (VARGO; LUSCH, 2004). This new logic lies in the new definition of marketing (American Marketing Association, 2007): marketing is an organizational function and a set of processes to create, communicate and supply value to clients and to manage client relations in order to benefit the organization and its stakeholders. This definition emphasizes the importance of providing marketing value and responsibility in being able to create significant relationships that offer benefits to all relevant stakeholders and not just to the client (MAIGNAIN, et al., 2005).

During the 1960s, marketing scholars wrote and researched on topics that today would be considered social marketing. But the first formal definition was that social marketing is considered to be the design, implementation and control of programs calculated to influence the acceptability of social ideas, and involves consideration of planning the product, price, communication, distribution and marketing research (KOTLER; ZALTMAN, 1971, p. 05). Social marketing is addressed as an activity that may be practiced both by profit organizations and by public and non-profit organizations (BLOOM; NOVELLI, 1981).

According to Andreasen (1994), social marketing is the adaptation of marketing technologies and programs conceived to influence the voluntary behavior of the public-target to improve its personal well-being and within the society to which it belongs. It is not a theory nor a single set of techniques but a process for developing programs of social change.

The American Marketing Association (2007) defines social marketing as marketing designed to influence the behavior of a public-target, in which the benefits of behavior are for the company, first and foremost, for the same public or society in general, and not for its own benefit. Social marketing addresses a market of beliefs and values, while business marketing often addresses preferences and superficial opinions and complement by showing that social

marketing is a much better idea than social advertising or even social communication (KOTLER; ZALTMAN, 1971, p. 05).

In the opinion of Maignan, Ferrel and Ferrel (2005), corporate identity and reputation, both important for marketing, are created by business actions and communication with its stakeholders. This reputation is defined by Fombrum (*apud* BRAMMER & PAVELIN, 2006) as a perceptive representation of the company's past actions and prospects of future actions that describe the global behavior of the business with regard to its main constituents, compared with major competitors.

Brammer and Pavelin (2006, p. 437) point out that current business reputation is determined by the signs that the publics received with regard to its behavior, whether directly by the business or through other information channels, such as media or the stock market. Therefore, corporate social responsibility actions become an important resource for maintaining the company's reputation, as Brammer and Pavelin (2006, p. 436) describe: demonstrating a high degree of social responsibility may, therefore, require a varied range of activities (including engagement in philanthropic work, mitigating environmental impacts, and introducing practices that strengthen the employees), each of which may have an impact on the individually perceived reputation.

There are ever increasing requirements for further business transparency between stakeholders of businesses (clients, employees, shareholders) and public opinion leaders (politicians, journalists, non-governmental organizations) (OGRIZEK, 2001). The GC may, therefore, be a motivating force for the signatory company to be more responsible and transparent towards its stakeholders, although it may also mean a better reputation for the company. The research method is presented as follows.

## **6. Method**

The research herein addresses a multiple-case study, and was developed by analyzing three companies in the electricity sector (here called A, B and C, the companies A and C being signatories of the GC since 2004, and company B since 2003), in order to understand the behavior of the organizations with regard to consequences arising from signing the GC in their social market and corporate social responsibility actions.

The data collection stage was based on the use of semi-structured interview scripts, surveys in home pages and reports of the companies under study. First, organizations were selected to be surveyed, considering the possibility of comparing the behavior of organizations with strong initiative in corporate social responsibility management. The second stage involved preparing interview scripts for gathering information from the administrators of the social responsibility area, employees in other areas of the organization and specialists in the sector. The interviews were conducted personally and by phone, lasting an average of thirty minutes.

Parallel to the interviews, information was gathered from the web in order to compare the discourse of the employees with what was disseminated on the company site, and on the UN GC site. The sustainability reports were analyzed and corporate social responsibility projects practiced by the companies in the study.

## **7. Results**

The purpose of this item of the work is to analyze the data obtained from interviews and researching the sites and company reports, in order to obtain some prominent characteristics in the behavior of the companies under study, as well as factors belonging to each of the three organizations with regard to the first objectives that motivated the organization to sign the GC, its involvement in the program and its results, and in other corporate social responsibility projects compared to the concepts of corporate social responsibility, marketing social and stakeholder theory.

As mentioned in the theoretical reference, right from the start of discussing the concept of social responsibility, the direct economic and technical interests of the companies should not be included as social actions. However, for corporate social responsibility to be accepted by the entrepreneurs, it should be involved with a range of business responsibilities.

In conformity to this direction, the decision to adopt social responsibility projects – focusing on the GC in this study – would be assessed by the organization's administration with regard to the proposed objectives, necessary resources and possible benefits, all within a global scope.

From the research it was noticeable that the objectives motivating the organizations to sign the GC were different from each other and partly conflicting with the real bases of corporate social responsibility. In company A, motivation came from the Institutional Relations and Corporate Communication Director because the senior executive had been involved in discussions about corporate social responsibility and principally because he had participated in the launching event of the GC for the Brazilian business sector. The opinion of the interviewed employees justified the work in projects such as the GC due to the need to maintain the image of a former state-owned company that, they said, had a stronger social role because of its public company characteristic. In company B, on the other hand, no major factor was commented that would encourage participation in the GC, since the initiative would, in the view of the CSR area, be just one more of the many programs already adopted and would not require great efforts other than what were already practiced within the organization. For the employees from other areas, this kind of behavior would be important in creating a social image toward the communities. Lastly, company C was clear in its intention to use the creation of social programs – the GC as one of them – and of a specific area to address the matter, in order to recover the organization's image after a troublesome period caused by its indebtedness to a financial institution.

It is noticeable, when assessing the discourses about the motives for signing the GC, that in none of the organizations under study was any link of the initiative described with the fundamentals of corporate social responsibility, based on the creation of an attitude to encourage social well-being, use of tools and resources that would enable them to improve the living and working conditions of the employees and communities in which they worked. On the contrary, in the three organizations the motives were maintaining or recovering the company image before their various stakeholders, either by means of the resources already used within the organization or by creating a specific area to address the matter with focus on image.

Moreover, the principles defended by the GC for furthering corporate social responsibility through learning, dialogue and partnership in a global scope, with possible exchange of experiences by networking created at the order of the United Nations throughout the world, was not mentioned at any moment at all during the interviews or in the research on the sites and company reports.

An important concept that must be considered in this analysis refers to social marketing, which is based on the company's developing programs and projects with a view to influence the behavior of a specific public or society in general in order to accept social ideas. The creation of a socially responsible image, which would involve adopting environmental policies, non-discrimination, incentives for ethical and transparent behavior, and the supply of goods or services in this context, would, with the help of marketing tools, cause society to change its behavior.

However, it is noticeable in the discourse of the interviewed employees that developing social programs within the companies where they work could indeed help change the behavior of the employees and even of the dwellers in the local communities, but that the basis for creating this socially correct attitude would lie in the concern with forming and consolidating their own socially responsible image. The interest in the GC seems to lie in promoting the image rather than the social well-being and change in society's behavior, as social marketing suggests.

The voluntary nature defended by Kofi Annan when the GC was created would be based on the review of the attitude of organizations with regard to their social role as an agent of change. From the global communication of the social actions and programs, different in each company, country, region and sector, networking would be able to set up a database of different experiences that, shaped to the characteristics of each company, would permit the re-use of the projects adapted to their reality. Volunteerism alone would now be an example of an attitude to be followed.

Nevertheless, the study shows that volunteerism of the program, regulatory and moderate non-standardization of the procedures and the opportunity for global dissemination of participation in a project related to a reputable institution such as the UN, were basics for deciding to include the GC in the group of corporate social responsibility projects undertaken by the companies.

In company A, it is found that 63% of the social programs developed can be classified as economic or legal responsibilities (CARROLL, 1991); in other words, the actions taken are predominantly those necessary for the company's maintenance, irrespective of the social nature. It is necessary to comply with the legal or economic premises necessary for the

maintenance and feasibility of the business activity itself. On the other hand, in company B, the predominant efforts concerning ethical and philanthropic responsibilities (CARROLL, 1991), in which 75% of the programs could be linked to one of the two groups, show it to be more involved with the social nature of the programs, as well as complying with the legal and economic requirements for running the business. In company C, 79% of its social actions and programs refer to ethical and philanthropic responsibilities, reinforcing the scenario in company B, where economic and legal premises were already adopted, and have also developed programs to achieve further commitments to ethical and philanthropic questions.

Another key point to be examined concerns the proposal for change presented by the GC. This seeks to provide a structure that encourages innovation and creative troubleshooting and good practices, in the belief that the combination between volunteer projects and regulatory systems give a major incentive to the widespread adoption of responsible corporate citizenship.

In the view of the interviewed employees, whether from the corporate social responsibility area or other areas in the organizations under study, there is no clear distinction about the changes made by specific actions complying with the GC. In company A, the employees noticed changes in the organization's attitude toward social responsibility, but it was not possible to confirm if they were the result of signing the GC or linked to the company's own development in the matter. The employees had only a vague idea of the actual knowledge of what the GC was and its proposals, hindering this assessment even further.

The view of the employees interviewed in company B, principally those who work in the corporate social responsibility area, was that there was no change in the company's operating policy after signing the GC, since the actions required to comply with the GC principles already existed in other programs and none was adapted to it. It should also be stressed that no interviewee from the other areas in the company noticed any alteration at all, since they were completely unaware of the existence of the program within the organization.

As in companies A and B, what could be seen in company C, in the opinion of the employees interviewed, was that there is no sign of action taken directly to reinforce the GC, although there are a number of actions that do adopt the GC principles. It was also said that

participation in the GC would not require change, but only sending a notice to the UN and maintaining the programs already in existence would be sufficient for the GC principles.

There was no formal process of in-company communication with regard to the GC principles since some interviewed employees were unaware of the compact and those responsible for the process did not have control over achieving its objectives. In relation to the notice to the UN and agencies involved with the GC, only company C provided information about the ten GC principles in its website and in its available sustainability reports, as well as in the publication of the COP (Communication on Progress) in the UN website. On the other hand, in the study on company B, no COP publication was found or a case study in the UN, nor were there any links of indicators to the GC principles found in the sustainability reports. In company A, a greater effort was noticeable in relation to the UN and publishing COP and case studies, but it had no mention of the GC in its website, and it is the only company of the three under study that is a member of the Brazilian GC Committee (CBPG).

Therefore, the findings show that also in relation to disseminating the principles and actions to their various stakeholders and to their employees, there is no standard behavior or effort made to achieve the principles defended by the GC.

Lastly, the idea of the study herein is to evaluate the adoption of the GC principles, in addition to the analysis on the behavior of the organizations with regard to participation in the GC and their behavior toward corporate social responsibility GC. It was found that the adoption of the principle on anti-corruption is stressed in all three companies studied, reinforcing the theory that the GC was created based on the need to revise global ethical standards within organizations, as discussed in the theoretical reference of this work.

Whether by motivation of signing the GC or the social performance of the organization in other projects and regulatory systems, it is noticeable that companies A, B and C are close to each other in terms of commitment to adopting the GC principles, with average ratings of 3.6, 3.5 and 3.5, respectively, within a subjective criterion ranging from 1 to 4.

## **8. Final Remarks**

The discourses analyzed in the preceding section show the lack of concern toward the specific GC principles of the agents that take corporate social responsibility actions. The proposed

self-regulation defended as a means for innovation and joint learning through universally accepted initiatives has proven to be a facilitating factor for decisive non-investment in controlling and making substantial changes in work relations and with the community where the companies under study operate. The focus of the efforts has been on regulatory programs and systems and achieving GC principles as a consequence of these actions, but without any special concern.

The ongoing striving for innovation and change proposed by the GC is based on the understanding that the construction of a network of relationships and the constant dissemination of social actions and projects and of the GC principles to the various stakeholders of the companies would create a major exchange of experiences that would help create and adapt ideas to the realities of each company, region, town or even work sector. Dissemination of the experiences and principles of the GC would be the main agent for creating changes in society, focusing on improving the social well-being, within universally known and accepted ethical and environmental standards.

When analyzing the business decision-making process with regard to the reason for signing the GC, it was noticeable that there was no relation of the decision with the objectives proposed by the UN initiative. The reasons given are related to the recovery and maintenance of the corporate image, as well as the opportunity to add to the organization's strategy for social responsibility a global initiative without needing to make heavy investments.

Concerning the relation of developing social programs with organizational strategies, it was found that the company directors are always involved in the decisions of social responsibility, and constantly striving to improve the social performance as a corporate strategy, whether for social or image issues and a greater control of social indicators and goals was noticed, emphasized by the interviewed employees. However, specifically with regard to the GC, no mention was made of control or follow-up of adopting its principles or objectives (ignoring one of the main ideas of the GC).

The analysis of the relation between corporate social responsibility and social marketing shows that the marketing tools as incentives for a change in social behavior of a specific public or society in general have not been used. This relation concerns the use of social initiatives and programs as a means to improve image and create a benchmark on the matter,

but without stressing the importance of the role of the organizations in changing social behavior of the communities where they operate.

Another factor studied refers to the support of the ideal defended by the GC, in which dialogue, exchange of experiences and ongoing communication of actions and principles would permit the social evolution in quality of life of society and working relations. However, findings show that there was no internal communication regarding the existence and participation of the organization in the UN program, and the lack of concern about publishing and following up case studies and Communication on Progress (COP) in the database set up by the UN to disseminate global experiences.

Based on the GC proposal, the organization should develop follow-up guidelines to adopt the principles, lining their social actions and indicators to each principle, checking the effectiveness of the actions in progress. In accordance with what was found, in the companies under study no GC-specific system or form of monitoring was to be found. Participation in regulatory systems (such as the Ethos Institute) requires control over their indicators and self-regulation proposed by the GC causes them not to prioritize the control of this program.

In general, the companies do not yet have a system to measure the impacts that the signing of the GC brought them. As a self-regulated program of widespread actions, companies have still to focus on away to comply with the GC, since the projects already developed to attend other social programs would already in themselves be enough to maintain the UN initiative.

The organizations under study have focused their efforts on running social programs of an ethical and philanthropic nature, without clearly defined criteria for achieving objectives to improve the social well-being, but always having an eye to building up a socially responsible image. The GC appears as just another social project of the organizations, with no specific control and included in the strategy for the opportunity to be connected to a global relations network, improving the image and easy compliance by self-regulation.

A suggestion for future studies is to consider a time analysis of the changes in the factors analyzed herein over a time span; and also, to undertake comparative studies of businesses in other sectors and of other nationalities, to identify and understand evidence of achieving the GC objectives in each situation.

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