

# Analysis of CSR in Midsize Retail: Application of the Quazi Aand O'brien Model

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**ABSTRACT:** Originally a response to environmental pressures, the paradigm of corporate social responsibility (CSR) has become a socioenvironmental strategy. The study was centered around the question: according to the two-dimensional model of Quazi and O'Brien, what is the socioenvironmental perspective of the midsize retail supermarket industry in Fortaleza? The study design was exploratory and quantitative. Information was gathered from the managers of 14 midsize supermarkets in Fortaleza using a closed structured questionnaire containing 25 items based on the model of Quazi and O'Brien. Using exploratory factorial analysis, the sampled companies were found to be clustered in the "modern view" quadrant of the model.

**Keywords:** CSR, Social Responsibility; supermarkets; retail; Quazi & O'Brien's Model.

## 1. INTRODUCTION

The study of Corporate Social Responsibility (CSR) is a relatively new development in the world of management (Oliveira, 2010) and represents a paradigm change (Catton Jr.; Dunlap, 1978, Pirages; Ehrlich, 1974) in response to environmental pressures on organizations (Donaire, 1994). More recently, CSR has emerged as a socioenvironmental strategy (Hoffman, 1999). Although concern for the environment is not a recent phenomenon, the issue received little attention from the international community prior to the United Nations Conference at Stockholm in 1972 (Silva Filho, 2007; Jacobi, 1999).

According to Souza (2002), since the time of the Conference, environmental issues have gained new meaning and importance, as large corporations have changed from the negative approach of merely responding to environmental pressures to the positive approach of incorporating environmental concerns into their strategies in order to increase their competitiveness. In other words, because environmental pressures offer the company both economic threats and business opportunities, they are considered an increasingly strategic factor in company growth (Lustosa, 2009; Borges; Tachibana, 2005; Sanches, 2000, Porter; Linde, 1999).

According to their respective sectors and size, organizations have been adjusting differently to the perspective of socioenvironmental management and behaving according to the level of environmental pressure from the market and to certain characteristics highlighted in the literature, such as size, internationalization and industrial sector (González-Benito; González-Benito, 2010; Castro Neto; Oliveira; Silva Filho, 2010). The object of the present investigation was the retail supermarket industry of Fortaleza, capital of the state of Ceará and the fifth largest metropolis in Brazil.

The Brazilian retail industry has been receiving increasing attention in the business area. It consists of approximately 1.3 million enterprises, representing 83.6% of commercial business and the second-largest commercial revenue in the country, totaling BRL 443.9 billion in 2006 (Lima, 2009).

With the expansion of large retail chains, some of which multinational corporations, small and mid-size retailers have lost a significant part of their mar-

ket share. In Fortaleza, some of these retailers have developed new competitive strategies, including socioenvironmental strategies.

Within the retail sector, we chose to focus on the supermarket segment, more specifically on midsize supermarket chains in Fortaleza. Several of the companies in our sample are members of "Super Rede", a local network for marketing and supply. The network includes 9 supermarket chains in Ceará (Polar, Compre Certo, Super do Povo, Planeta, Cometa, Super Lagoa, Frangolândia, Pinheiro and São Luiz) with a total of 36 stores. These nine companies account for 30% of the retail supermarket sales in the state and therefore have a considerable influence on the sector. In addition, our sample included five non-networked midsize supermarket chains in Fortaleza (Center Box, Super Família, Chalana, Superbaratão and MAV).

The level of CSR in the companies sampled for this study was evaluated with the model of Quazi and O'Brien (2000), which determines a company's overall perspective according to two dimensions (axes). The horizontal axis represents the company's outlook on corporate responsibility, in a spectrum between "narrow view" and "wider view". The vertical axis of the model represents the company's perception of the consequences of the adoption of CSR, in a spectrum between cost and benefit.

Following the example of Cavalcanti and Falks (2007) the present study was centered around the question: according to the two-dimensional model of Quazi and O'Brien (2000), what is the prevailing socioenvironmental outlook and strategic position regarding CSR in the midsize retail supermarket industry in Fortaleza? The sampled companies were classified as either proactive or reactive and the development stage of socioenvironmental management was determined for the sector. Finally, our results were compared to the results of similar studies based on the model of Quazi and O'Brien. The article is divided into five parts: introduction, theoretical framework, research methodology, results and conclusion. The theoretical framework is divided into four sections: the background of corporate social responsibility, the dimensions of corporate social responsibility, the supermarket retail segment in Fortaleza, and the model of Quazi and O'Brien.

## 2. THE BACKGROUND OF CORPORATE SOCIAL RESPONSIBILITY

The background of CSR may be described according to several different perspectives. In the view of Barbieri and Cajazeira (2009), CSR starts in the Middle Ages with Christian charity—a responsibility eventually taken over by the modern State. Due to the propagation of Adam Smith's economic liberalism, poverty is justified with the argument that individual objectives and societal ends are often inevitably conflicting. Thus, CSR was at first viewed as an initiative of humanitarian aid, philanthropy and other forms of help to the poor. Later the concept of CSR was expanded by novel concerns such as respect for human diversity, corruption prevention and occupational quality of life. In the mid-twentieth century, an environmental dimension was added which gained common acceptance in the 1960s (BARBIERI; CAJAZEIRA, 2009).

Quoting Hoffman's seminal work (1999), Souza (2002) identifies four periods in the history of environmentalism: industrial environmentalism (1960-70) (environmental problems were usually solved without government intervention), regulatory environmentalism (1970-82) (focused on meeting regulatory demands intensified by critical events and environmental accidents), environmentalism as social responsibility (1982-88) (an attempt at reducing risks and financial losses), and strategic environmentalism (1988-93) (proactive strategy employed by top management to secure economic interests).

Focused on the industrial sector, industrial environmentalism proposed to solve environmental problems internally, with only occasional intervention from the government. Regulatory environmentalism was characterized by the introduction in society of new strict environmental regulations leading many corporations to concentrate efforts on adhering to legislation. Environmentalism as social responsibility represented the awakening of an environmental awareness among corporate executives, as shown by early voluntary initiatives to minimize waste and pollution. Finally, strategic environmentalism may be seen as an upgrade to environmental awareness: top executives now realize the strategic potential of environmental management, allowing them to identify opportunities and threats and compete proactively on the market.

During the stage of strategic environmentalism (1988-93), the importance of environmental problems was reinforced by a number of factors, especially issues related to environmental regulations, company image, cost reduction, consumer demands, reduction of financial risks (by reducing fines and legal costs), product differentiation, and increased market share. However, the making of consistent environmental strategies is an evolutionary trial-and-error-guided process undergoing constant transformation.

According to Souza (2002), environmental strategies fall into two categories depending on the type and focus of the company's response to environmental pressures. Thus, while some companies adopt a passive attitude and are content with conforming to regulations, other companies proactively seek to go beyond mere compliance and integrate environmental issues in their competitive strategies.

According to Kreitlon (2004), the evolution of the main schools of thought engaged in exploring the concept of CSR is strongly tied up with the evolution of the economic system and the transformations industrial societies have gone through over the past century. However, some scholars have questioned the claim that CSR generates social benefits for the community. The discussion gained momentum during the 1960s only to become institutionalized in the 1980s in the form of three major schools of thought: Business Ethics, Business & Society, and Social Issues Management.

The Business Ethics approach to CSR is primarily philosophical, normative and centered on values and moral judgement. The social responsibility of a company derives directly from its moral responsibility. In other words, the company must act in a socially responsible way because it is the "right thing" to do, thus a moral obligation. The company's conscience is manifested through its internal decision structure (which is subject to rules, flows, procedures and bureaucratic control systems). The Business Ethics school pioneered studies in the field and is characterized by its solid philosophical foundation and predominantly normative bias.

On the other hand, Business & Society is focused on the sociopolitical perspective, suggesting a contractual approach to problems between companies and society. It is basically supported by three major as-

assumptions: a) company and society are part of the same system and are in permanent interaction; b) company and society are tied together by a social contract; c) companies are subject to control from society. The approach also emphasizes that companies are created to fulfill certain functions in society and that their legitimacy depend on the proper fulfillment of these functions.

Finally, Social Issues Management represents a clearly utilitarian outlook. Social problems are seen as variables in strategic management. CSR is justified by three fundamental arguments, all of which utilitarian: a) companies can make use of market opportunities created by changes in social values if they can anticipate them and respond to them well in advance; b) socially responsible behaviors can generate competitive advantages; c) a proactive company may put itself ahead of new regulations, or even avoid them.

### 3. THE MANUFACTURING AND SERVICES SUPPLY CHAIN MANAGEMENT LITERATURE

Since 1979, Archie Carroll has been publishing studies on the moral and ethical dimensions of the corporate world (Carroll, 1979; 1991; 1998; 2000). Thus, in 1991 Carroll defined CSR as a set of four components—economic, legal, ethical and philanthropic—to which correspond the aspects of profitability, compliance, rectitude and social commitment, respectively.

His subsequent reviews, especially with regard to the tension between the ethical and philanthropic components, led Carroll (2003) to improve his model, reducing CSR to three components: economic, legal and ethical. In the new model, the ethical component includes the company's responsibilities towards the general population and stakeholders such as shareholders, workers, clients, suppliers, the government, the local community and the environment.

The fundamental question of the movement of sustainable development is whether the planet can survive the social and environmental impact to which it has been exposed by man. Ignacy Sachs (2004) identified five essential goals of the movement: equitable income distribution, efficient management of productive resources by way of private and public investments, reduction of environmental damage caused by development processes, balance between urban

and rural populations, and acknowledgment of the plurality of solutions required by different ecosystems, cultures and geographical contexts. The model subsequently gained a political component intended to reinforce democracy to the extent of making it possible for everybody to participate in the development process.

According to Strong (1993), to be sustainable companies must simultaneously meet the criteria of social equity, ecological prudence and economic efficiency.

To provide a model for sustainable firms, Elkington (1997) developed the "triple bottom line" concept, also referred to as "the 3 Ps". In it, "profit", "people" and "planet" constitute the three pillars of corporate social responsibility which, in turn, is the foundation of corporate sustainability. Despite its simplicity, the model has attracted much interest from scholars. As with the previous models, companies must commit equally to all three domains—a considerable challenge, considering some companies used to see profit maximization as their sole *raison d'être*.

In the Brazilian studies, Barbieri and Cajazeira (2009) observed that sustainable companies consistently incorporate the concepts and objectives of sustainable development in their policies and practices. To come across as sustainable, companies must not only meet the demands of their stakeholders, but also protect, sustain and increase natural and human resources needed in the future.

In 2003, Marrewijk proposed a model of social responsibility and organizational sustainability. Organizational responsibility, which is seen as having three components (economic, social and environmental), is inserted in the major context of organizational sustainability. The concept of corporate sustainability arises from the convergence of the models of organizational sustainability and organizational responsibility. In addition, workers' social expectations are met, especially in the fields of health and safety, and mere compliance to regulations eventually evolves into corporate environmental management.



#### 4. THE SUPERMARKET RETAIL SEGMENT IN FORTALEZA

Manufacturers sell their products to wholesalers or even directly to retailers. Wholesalers distribute the products to retailers, who are at the end of the production and supply chain—the final link between manufacturers and consumers. The function of wholesaling is to meet the demand of the retailing industry; the function of retailing is to meet the needs of final consumers. Parente (2000) defines retailing as the sale of goods and services to meet consumers' personal needs.

The retail supermarket industry started in the US in the 1930s, following the Great Depression. Falling incomes due to unemployment resulted in reductions in the sales and profits of the traditional grocery stores in which customers were served over the counter (Parente, 2000).

The advent of modern packaging made it possible for grocery stores to sell products in predefined convenient quantities, dismissing staff from the task of weighing and wrapping goods. Thus, the self-service retail store was born where customers are free to move around the shelves and choose what to buy.

The system was introduced in Brazil in the 1940s, but only partially, as customers still relied on clerks for certain products. However, a fully self-service store was opened as early as 1953 in São José dos Campos (state of São Paulo), followed the same year by two other self-service supermarkets in the city of São Paulo, named "Sirva-se" and "Peg-Pag" (ABRAS, 2009).

According to Lepsch (2001), the first Brazilian supermarkets were copies of the luxurious North American model and offered about three thousand products organized into sections.

The sector went through many changes over the years, especially after the monetary reform in 1994 (the so called "Real Plan") which gave Brazilians great relief from a long period of political and economic chaos by stabilizing the currency and checking inflation. As the new currency grew stronger in relation to the US dollar, supermarkets started to import products and to acquire hardware and software for automation.

These changes in the economy and in the consumers' purchasing power set in motion a race for productivity and competitiveness and helped change a scenario of over 20 years of unbridled inflation. Consumers became more aware of their rights, of the environment and of the value of products and services.

According to the Association of Supermarkets in Ceará (ACESU), the retail supermarket business has become an important economic segment in Ceará, with an estimated revenue of BRL 4,5 billion a year. In the regional Capital, Fortaleza, alone, this amounts to approximately BRL 2 billion a year. Presently, the supermarket industry accounts for approximately 33% and 40% of all retail sales in Fortaleza and in Ceará, respectively (ACESU, 2009).

Competition in the segment is currently very strong, especially in the Fortaleza. The market is dominated by two large chains (Wal-Mart/Bompreço and Extra/Pão de Açúcar), nine midsize chains (Polar, Compre Certo, Super do Povo, Planeta, Cometa, Super Lagoa, Frangolândia, Pinheiro and São Luiz) and 89 minor supermarkets and neighborhood stores. Taken together, the supermarket industry in Ceará is represented by over 50 companies and 170 stores (ACESU, 2009).

#### 5. THE IMPORTANCE OF THE MIDSIZE RETAIL CHAIN (IN BRAZIL)

According to Marques Mendonça and Charbel (2005) small and medium size organizations of retail sector was carried out, because this sector is a growing sector in Brazil which employs a large part of population in Brazil. This sector, which involves trade and service activities, is responsible for employing nearly 1 million workers and accounts for almost 60 percent of gross domestic product (GDP) and billed approximately US\$140 billion in 2008 (Sebrae, 2008). It is very important contextually because according to Nielsen (2011), in Brazil, the top five retailers share only 23% of the food supply chain, this survey also sketches a situation that for every 1 million population, there are four "hypermarkets", eight large supermarkets and 33 small supermarkets.

## 6. RETAIL CHAIN AND CSR

Some authors (MOORE, 2001; MOORE, ROBSON, 2002; MARQUES, MENDONÇA, CHARBEL, 2010) emphasize the importance of the CSR implementation in supermarkets because it is characterized by labor intensive to use and with great impact in the communities in which they are associated. Other authors study how retailer is adding its social actions as part of its positioning and image, demonstrating its citizenship role (GUPTA, PIRSCH 2008).

Analyzing the works of Stephen J. Arnold (ARNOLD, HANDELMANN AND TIGERT., 1996, HANDELMAN AND ARNOLD, 1999), Shruti Gupta and Julie Prisch pointed that within the context of CSR and retailing, consumers extend other forms of support for the retailer for its socially responsible actions by indicating a greater intention to shop at CSR-motivated stores or by increasing their positive word-of-mouth activity about the retailer. Including CSR as an institutionally relevant attribute in store image assessments should lead to more positive perceptions of the retailer, and in turn, enhance the consumer's commitment to the organization (GUPTA, PIRSCH 2008).

In Brazil the CSR studies in retail chains have some seminal work in the last years (PARENTE, TEREPIINS, 2009; PRADO, MERLO E CERIBELI, 2010; MARQUES, MENDONÇA, CHARBEL, 2010; SILVA. SANTOS, 2011), but still a new theme.

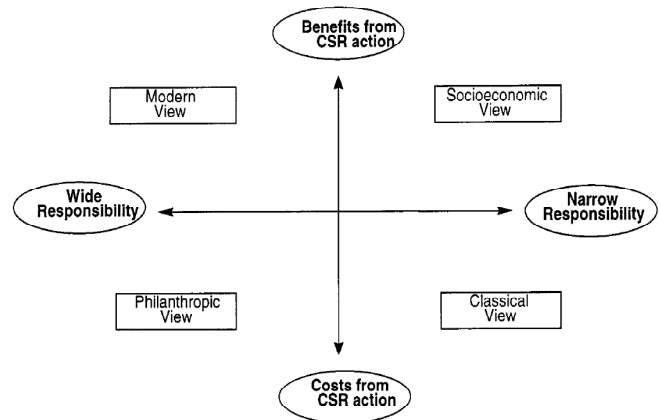
## 7. THE TWO-DIMENSIONAL MODEL OF QUAZI AND O'BRIEN

TAli M. Quazi from Charles Stuart University (CSU) and Dennis O'Brien from Southern Cross University (SCU), both in Australia, developed a model to measure the level of CSR exercised by a company and tested it empirically on firms headquartered in Sidney and Bangladesh.

Unlike previous models, the model of Quazi and O'Brien does not segregate companies into two irreconcilable groups—one representing a narrow economic perspective (companies whose only purpose is to generate profits for the shareholders), the other representing a wider social perspective (companies that, in addition to seeking profits, feel they have an obligation to benefit society as a whole)-

but incorporates the two opposing views in a two-dimensional model of corporate social responsibility (Figure 1).

Figure 2: Revised Model



The model of Quazi and O'Brien has two axes (horizontal and vertical) and four quadrants. The position of the company in the model is determined by the company's perception of CSR and its benefits.

The two extremities of the horizontal axis are labeled "narrow responsibility" (right) and "wide responsibility" (left). The former represents the conventional business outlook, according to which a company's short-term objective is strictly profit maximization. The latter represents the wider social outlook, according to which companies, beyond mere compliance to regulations, choose to engage in community development, environmental protection and conservation of natural resources, among other things.

The two extremities of the vertical axis are labeled "benefits from CSR action" and "costs from CSR action". Companies which lay emphasis on short-term results tend to be concerned about the cost of CSR actions and therefore gravitate towards the lower, negative extremity. Companies with focus on long-term results, on the assumption that benefits eventually exceed costs, move towards the upper, positive extremity of the model.

The four quadrants of the model are described in detail below (Quazi and O'Brien, 2000, p.36):

*Classical view:* This is concerned with the classical view of social responsibility in which there is no provision to look beyond a nar-

row view of profit maximization as it is seen to generate a net cost to the company without any real benefit flowing from an activity.

**Socioeconomic view:** This quadrant represents a narrow view of social responsibility but accepts that adopting some degree of social responsibility will lead to net benefit to the company in terms, for example, of avoiding costly and embarrassing regulation, building good customer relationships, good supplier relationships or the politics of networking. In this context, social responsibility can be justified even if a manager holds a narrow view.

Quadrant 1 is then concerned with the socio-economic view in which business can simultaneously perform the dual function of profit maximization while serving social demand.

**Modern view:** Modern view captures a perspective in which a business maintains its relationship with the broader matrix of society where there are net benefits flowing from socially responsible action in the long run, as well as in the short term. This is a modern view of social responsibility and includes the stakeholder view.

**Philanthropic view:** This quadrant depicts a broader view of social responsibility in which business agrees to participate in charitable activities even though this is perceived as a net cost. This impetus may come from altruistic or ethical feelings to do some good for society. This can be associated with the philanthropic view.

The input required by the model is collected with a structured closed questionnaire containing 25 statements covering the major issues of CSR. The format of the questionnaire was based on earlier studies (Ostlund, 1977; Orpen, 1987), as explained in Quazi and O'Brien (2000).

Twenty five statements relating to corporate social responsibility (Quazi & Obrien, 2000, p.38)

01. Business can avoid further regulation by adopting social responsibility programs (A1).

02. The increasing involvement of business in social responsibility may lead to increasing expectations of society as to the business contribution (A2).

03. Social responsibility is an effective basis for competing in the market (A3).

04. Business should realize that it is a part of the larger society and therefore it should respond to social issues (A4).

05. Social regulation has already put a check on business behavior and it is unnecessary for business to be involved in social responsibility programs (A5).

06. Contributing to the solution of social problems can be profitable for business (A6).

07. Regulation is not sufficient to ensure business behaves in a socially responsible way (A7).

08. Other social institutions have failed to solve social problems. So, business should now try (A8).

09. Business should tackle only those social problems that are created by its own actions (A9).

10. Social responsibility programs may be helpful in discouraging irresponsible behaviour by business (A10).

11. Business already has a lot to do and should not take on other responsibilities (A11).

12. Business has the necessary money and talent to engage in social action programs (A12).

13. Society expects business to help solve social problems as well as to produce goods and services (A13).

14. Business is primarily an economic institution and it is most socially responsible when it attends strictly to its economic interests (A14).

15. Corporate social action programs can help build a favorable image for a business (A15).

16. Business has a definite responsibility to society apart from making a profit (A16).

17. Corporate managers need to be trained so that they can effectively contribute to society's problems (A17).

18. A business that ignores social responsibility may have a cost advantage over a business that does not (A18).

19. It is unfair to ask business to be involved in social responsibility programs as it is already doing to by complying with social regulations (A19).

20. Social involvement may be suicidal for the marginal firm, for the high costs involved may throw it out of business (A20).

21. Business should use its resources and talents for its own growth to ensure better service to society (A21).

22. Society expects business to contribute to economic growth as its only concern (A22).

23. *By transferred the cost of social involvement to society, business may weaken its image with the public (A23).*

24. *Asking business to be involved in any activity other than making profit is likely to make society worse off rather than better off (A24).*

25. *It is unwise to ask business to fix social problems created by others and which have no profit potential (A25).*

## 8. METHODOLOGY

The study design was exploratory and quantitative. The work was conducted in three stages: i) review of the literature on CSR, the retail supermarket industry and the two-dimensional model of Quazi and O'Brien (2000) as applied to samples of companies in Australia and Bangladesh, and by Cavancanti and Falk in another Northeast Brazilian state (Pernambuco), which served as point of departure for this study; ii) administration of a questionnaire with 25 statements to a sample of 14 midsize supermarkets in Fortaleza, Ceará (Polar, Compre Certo, Super do Povo, Planeta, Cometa, Super Lagoa, Frangolândia, Pinheiro, São Luiz, Center Box, Super Família, Chalana, Superbaratão and MAV); and iii) quantification of findings and descriptive analysis of the level of socioenvironmental awareness in the sampled companies. The results of the empirical test were submitted to factor analysis for confirmation.

The statements in the questionnaire are positively and negatively worded and presented in random order in a single set to reduce the likelihood of a "halo" response pattern. Each statement is scored using a 5-point Likert scale (1=strongly disagree; 5=strongly agree). The instrument used in the present study was a free translation of Quazi and O'Brien's original questionnaire, as found in Cavalcanti and Falk (2007) suggestions (see Appendix A).

The statistical analysis was done with the software SPSS (Statistical Package for the Social Sciences), version 17.0.

The results were submitted to simple descriptive analysis, with responses grouped as follows: on one side: D=disagree and SD=strongly disagree; in the middle: N=neither agree nor disagree; on the other side: A=agree and SA=strongly agree. Based on the obtained percentages, a ranking of supermarkets

was made for each group. The purpose of the factor analysis was to group the statements into a smaller number of factors in order to confirm the results of the descriptive analysis.

As explained by Field (2009), not all things are readily quantifiable. The level of CSR exercised by a supermarket is one such case. This is due to the multiple aspects contained in the variable. To solve the problem, several factors may be determined in order to exhaust all the aspects included in the variable and then test whether the selected factors affect the measurement. If they do, the influence, or weight, of each factor in the measure may be estimated.

According to Field (2009), factorial analysis (and the analysis of the main components) is used to identify groups or clusters of variables. The technique helps reduce the data set to a more manageable size while retaining as much as possible of the original information (Field, 2009, p. 553).

Factorial analysis is a multivariate technique which makes it possible to identify structures of interrelationships inherent in the data set, that is, factors or qualitative dimensions capable of revealing behavioral patterns. These dimensions, or factors, are used to detect patterns of variation in variables correlated with other real variables in the study (Hanashiro and Nassif, 2005).

## 5. RESULTS

The descriptive initial analysis (table 1) shows that the items of the factors associated with the wider perspective were well accepted by the responders: 14 of 25 items corresponded positively to the wider perspective, i.e. more than 50% the people agree (A) with the proposed statement of CSR. Of these, 9 statement received over 75% approval.



**Table 1: Descriptive analysis of Statements Agreement. (D=disagree; ? = undecided; A=agree).**

Statements (Ax)	Grouped Answers			
	Disagree	Undecided	Agree	Code decision
01. Business can avoid further regulation by adopting social responsibility programs (A1).	0.00	21.43	78.57	A
02. The increasing involvement of business in social responsibility may lead to increasing expectations of society as to the business contribution (A2).	0.00	7.14	92.86	A
03 Social responsibility is an effective basis for competing in the market (A3).	7.14	14.29	78.57	A
04. Business should realize that it is a part of the larger society and therefore it should respond to social issues(A4).	7.14	21.43	71.43	A
05. Social regulation has already put a check on business behavior and it is unnecessary for business to be involved in social responsibility programs (A5).	85.71	14.29	0.00	D
06. Contributing to the solution of social problems can be profitable for business (A6).	0.00	35.71	64.29	A
07. Regulation is not sufficient to ensure business behaves in a socially responsible way (A7).	7.14	21.43	71.43	A
08. Other social institutions have failed to solve social problems. So, business should now try (A8).	35.71	28.57	35.71	?
09. Business should tackle only those social problems that are created by its own actions (A9).	0.00	14.29	85.71	A
10. Social responsibility programs may be helpful in discouraging irresponsible behaviour by business (A10).	0.00	7.14	92.86	A
11. Business already has a lot to do and should not take on other responsibilities (A11).	100	0.00	0.00	D
12. Business has the necessary money and talent to engage in social action programs (A12).	35.71	42.86	21.43	?
13. Society expects business to help solve social problems as well as to produce goods and services (A13).	21.43	28.57	50.00	A
14. Business is primarily an economic institution and it is most socially responsible when it attends strictly to its economic interests (A14).	50.00	21.43	28.57	D
15. Corporate social action programs can help build a favourable image for a business (A15).	0.00	0.00	100	A
16. Business has a definite responsibility to society apart from making a profit (A16).	7.14	14.29	78.57	A
17. Corporate managers need to be trained so that they can effectively contribute to society's problems (A17).	0.00	14.29	85.71	A
18. A business that ignores social responsibility may have a cost advantage over a business that does not (A18).	42.86	42.86	14.29	D
19. It is unfair to ask business to be involved in social responsibility programs as it is already doing so by complying with social regulations (A19).	71.43	21.43	7.14	D
20. Social involvement may be suicidal for the marginal firm, for the high costs involved may throw it out of business (A20).	50	35.71	14.29	D
21. Business should use its resources and talents for its own growth to ensure better service to society (A21).	7.14	0.00	92.86	A
22. Society expects business to contribute to economic growth as its only concern (A22).	64.29	35.71	0.00	D
23. By transferring the cost of social involvement to society, business may weaken its image with the public (A23).	21.43	21.43	57.14	A
24. Asking business to be involved in any activity other than making profit is likely to make society worse off rather than better off (A24).	92.86	0.00	7.14	D
25. It is unwise to ask business to fix social problems created by others and which have no profit potential (A25)	85.71	0.00	14.29	D

Source: Data analysis with the software SPSS v.17.

However, with regard to some of the items suggesting a wider perspective, the companies in the sample did not behave as expected, but actually revealed a certain reluctance. Perhaps due to the size of the companies, many respondents were unsure about items 8 and 12 which deal with the funds and talents required to engage successfully in social actions and with the suggestion that companies ought to fill the gaps left by social institutions.

Statements 6 and 21 are inverted questions, i.e., related to the narrow view of responsibility. Thus,

disagreement with these statements is tantamount to agreement with the wider view of responsibility. Therefore, in this case agreement reflects a tendency in the sample for alignment with the narrow view of responsibility in detriment to social concerns.

By way of factorial analysis, the 25 items on the questionnaire of Quazi and O'Brien were transformed into 8 strongly correlated factors (Table 2). Since the factors are part of a directed theoretical construct, the observed association reveals a subjective theoretical unidimensionality (Field, 2009).

**Table 2: Interpretation of factorial analysis.**

Factors*	Factor named	Statements	varimax rotate loadings		
			Undecided	Agree	Code decis Eigenvalue % of total variance explained Accumulated % of total variance explained ion
1	Business should learn to associate CSR with general financial outcomes	5,6,11,12,13,21	4.234	17.297	17.297
2	Businesses need incentives to CSR	18,19,25	3.809	15.237	35.534
3	Practicing CSR according to society's expectation.	2,4,8,10	2.953	11.811	44.345
4	Banning the classic view (business as usual)	14,15,23	2.900	11.601	55.947
5	CSR doesn't help society, nor decreases State control.	1,24	2.772	11.087	67.034
6	Businesses must make profits	16,20,22	2.575	10.301	77.335
7	CSR has multiple benefits	3,7,9	2.358	9.431	86.765
8	CSR should be learned	17	1.523	6.091	92.856

**\*Due to the factor analysis. the items are listed in numerical sequence. not the sequence in which they appear in the original questionnaire**

**Source: Data analysis with the software SPSS v.17.**

Table 2 shows the groups of items created by the software. The name of each factor was chosen by the author as deemed appropriate.

Factors 1, 2, 3, 4, 7 and 8 (items 5, 11, 12, 13, 19 and 25) are aligned with what Quazi and O'Brien call the "wider view" axis, indicating the company sees CSR as a strategy of long-term sustainability necessary

for business perpetuation. Such companies are capable of reaching beyond the narrow view of profit maximization and immediatism.

The axis is divided into two quadrants: the philanthropic view (resources are employed in charitable activities without concern for palpable benefits) and the modern view (companies see CSR not as a cost but primarily as a source of potential benefits).

In contrast, factors 5 and 6 (items 6 and 21) reflect the so-called "narrow view", according to which companies are concerned solely with short-term benefits and show no interest in issues not leading directly to company growth and profit maximization. The axis is divided into two quadrants: the classical view and the socioeconomic view.

In companies adopting the classical view, any activity not directly aimed at reducing costs and increasing revenues is unwelcome. This of course includes any aspect of CSR. Companies adopting the socioeconomic view limit themselves to managing the legal consequences of their lack of social responsibility, concentrating on preventing penalties for regulatory violations or damage to the company image.

As we have seen, most of the supermarkets in our sample are oriented towards the wider perspective (left side of the vertical axis), but it remains to be determined which of the quadrants is predominant: the philanthropic view or the modern view. In this respect, the responses obtained tend towards a balance between benefits and costs, in harmony with the modern view, valuing the strategic perspective over the charitable.

Importantly, the main factor of our analysis, which accounts for over 17% of the variance, is a major aspect of the modern view, as opposed to the philanthropic view. Thus, even if factor 2 represents important aspects of the lower left quadrant, the other factors on the left side of the axis are clustered in the upper quadrant, expressing the modern view.

The high level of acceptance observed for factor 7 confirms the tendency in the sample towards the modern view and the belief that CSR is a potential source of multiple benefits.

## 6. CONCLUSIONS

The results of our factor analysis of the midsize retail supermarket industry in Fortaleza do not match the results of other studies employing the model of Quazi and O'Brien. Our factor analysis yielded eight new factors accounting for 93% of the variance, whereas studies based on samples of companies in Pernambuco and Bangladesh yielded nine factors explaining 74.81% and 59.8% of the variance,

respectively; likewise, a study from Australia identified seven new factors, responsible for 64.4% of the variance.

However, the clustering of companies in the upper left quadrant of the two-dimensional model of Quazi and O'Brien matched findings for companies in Pernambuco.

In the view of Kraemer (2005), CSR is no longer an option but has become a matter of corporate strategy and survival.

Silva Filho (2007) believes organizations should destine part of their assets to compensate for environmental damage and that they should be encouraged by government agencies and by stakeholders (community, clients, staff, suppliers and NGOs) to focus more attention on social and environmental impacts, to reduce associated costs and to issue reports for greater environmental sustainability.

Following observations by Cavalcanti and Falk (2007) in a managerial approach, the original definition of social responsibility should be combined with the instrumental perspective of CSR. In the interpretation of Petrus and Woodruffs (1992), quoted by Cavalcanti and Falk (2007), CSR should be seen as a company commitment to minimize or eliminate harmful effects and maximize long-term positive impacts on society.

However, the mere classification of companies in the "modern view" quadrant of the model of Quazi and O'Brien does not mean we are seeing a local breakthrough in CSR. In fact, to the author's knowledge, the midsize retail supermarket industry in Ceará shows no signs of substantial change.

Perhaps the most important question raised by this study is: what factors can transform the discourse on the need for sustainability in its manifold aspects, one of which is CSR, into effective action on part of organizations capable of solving the complex socio-environmental problems of our time?

The public debate on CSR has matured enough for most companies to have moved through the quadrants of the model of Quazi and O'Brien. Therefore,

future studies are likely to reproduce our results. The real question is whether CSR truly meets current socioenvironmental needs or will be used by opportunistic business interests as a cliché of ideals for a strategic approach to the multiple benefits offered by the combination of socioenvironmental and economic sustainability, as pointed Oliveira (2010) or Hofmann(1999 in his seminal work.

The study has some limitations: Since the sample of midsize retail supermarkets was non-random, our results cannot be extrapolated to the supermarket industry as a whole, but solely represent the responses obtained. The study was limited by the small sample size and reduced statistical power.

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APPENDIX 1–FREE TRANSLATED QUESTIONNAIRE

ITENS	DESCRIÇÕES	DT	D	I	C	CT
1	As empresas podem evitar mais controle governamental pela adoção de programas de responsabilidade.					
2	O envolvimento crescente das empresas em responsabilidade social pode levar ao crescimento das expectativas da sociedade em relação à contribuição das empresas.					
3	Responsabilidade social é um fundamento sólido para aumento da competitividade.					
4	Empresas devem compreender que são parte da sociedade e por isso devem responder pelas questões sociais.					
5	Como a legislação social já tem regulado o comportamento das empresas é desnecessário para as empresas se envolver com programas de responsabilidade social.					
6	A contribuição empresarial para a solução dos problemas sociais pode ser lucrativa para as empresas.					
7	A legislação não é suficiente para assegurar o comportamento organizacional socialmente responsável.					
8	Considerando que as instituições sociais têm falhado na solução dos problemas sociais, então agora as empresas precisam tentar.					
9	As empresas devem tratar os problemas sociais que forem criados pelas suas próprias ações.					
10	Os programas de responsabilidade social de uma empresa podem se prestar para encorajar o comportamento responsável de outras.					
11	As empresas já têm muita coisa para fazer e não podem assumir outras responsabilidades.					
12	As empresas têm dinheiro e talento necessários para se engajarem em ações sociais.					
13	A sociedade espera que as empresas possam ajudar a resolver os problemas sociais, e também produzam bens e serviços.					
14	A empresa é principalmente uma instituição econômica e é mais socialmente responsável quando atende estritamente aos interesses econômicos.					
15	Programas de ações sociais podem ajudar a construir uma imagem favorável para a empresa.					
16	As empresas têm responsabilidade definida para com a sociedade, além de perseguirem o lucro.					
17	Os gerentes corporativos precisam também ser treinados para que possam efetivamente participar da solução dos problemas da sociedade.					
18	A empresa que não pratica a responsabilidade social pode ter uma vantagem em relação aos custos, comparando-se com as que praticam.					
19	É injusto pedir a empresa para se envolver em programas de responsabilidade social por que ela já cumpre com a legislação social.					
20	O envolvimento social pode ser “suicídio” para as pequenas empresas, por que os altos custos envolvidos podem jogá-las para fora do mercado.					
21	As empresas poderiam usar recursos e talentos para promover o seu próprio crescimento e assegurar serviços melhores para a sociedade.					
22	A sociedade espera que as empresas contribuam para a promoção do crescimento da economia como sua única preocupação.					
23	Transferindo o custo do envolvimento social para a sociedade, a empresa pode enfraquecer sua imagem com o público.					
24	Pedindo à empresa para se envolver em qualquer atividade, que não seja aquela de ter lucros, provavelmente transformará a sociedade em uma sociedade pior e não melhor.					
25	É uma tolice pedir às empresas para resolver os problemas sociais criados por outros e que não trazem lucro potencial.					

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