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## **Apresentação**

A Revista de Negócios (RN), sediada na Universidade Regional de Blumenau (FURB), no Programa de Pós-Graduação em Administração (PPGAd), em Blumenau, Santa Catarina, Brasil, é periódico científico em circulação há vinte e sete anos. Suas edições são trimestrais, publicadas em janeiro, abril, julho e outubro no site [furb.br/rn](http://furb.br/rn).

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A Revista de Negócios (RN) busca proporcionar uma plataforma para discussões acadêmicas e práticas significativas no campo da gestão empresarial, fomentando a criação e difusão de conhecimento através da publicação periódica de artigos. Essa iniciativa visa facilitar a contribuição de pesquisadores e especialistas em suas respectivas áreas de atuação.

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O segmento de Inovação e competitividade da revista cobre estudos relacionados à manutenção da competitividade organizacional, com ênfase em inovações, empreendedorismo e performance. Já o foco em Estratégia Organizacional abrange

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A política editorial da RN baseia-se na promoção de artigos que apresentam perspectivas críticas e contribuições substanciais, tanto em estudos teóricos quanto empíricos, visando ao avanço das teorias em Inovação, Competitividade e Gestão Estratégica. Pesquisadores especializados nestas áreas são encorajados a submeter ensaios teóricos, bibliométricos, estudos empíricos e estudos de caso. A revista está aberta a diferentes metodologias e abordagens que exploram o papel das organizações no contexto contemporâneo.

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## **POLICY DECISIONS AND INSTITUTIONAL CHANGE EFFECTS OF BRAZILIAN FOOTWEAR INDUSTRY INTERNATIONALIZATION**

### **Ismael Alan Halberstadt**

Mestre em Administração  
Universidade Federal de Santa Maria - UFSM  
E-mail: ismaah@hotmail.com

### **Ivanete Schneider Hahn**

Doutora em Administração  
Universidade Federal de Santa Maria - UFSM  
E-mail: ivischneider@hotmail.com

### **Flavia Luciane Scherer**

Doutora em Administração  
Universidade Federal de Santa Maria - UFSM  
E-mail: flaviascherer@globo.com

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## Abstract

This article focuses on analyzing the main policy decisions that resulted in institutional changes and their effects in the internationalization process of the Brazilian footwear industry. A longitudinal documentary research was carried out and we used as sources government bases (IBGE and MDIC), representative entities of the industry, Comex Stat - MDIC, UNCTAD, Abicalçados website, and others. We used the last 30 years (1988-2018) as a time frame. The main findings are that: (1) the decisions of the federal government such as opening the Brazilian market to foreign products / reducing import tax rates, the implementation of The Real Plan, anti-dumping policies, payroll tax exemptions, and Brazilian Labor Reform have an impact on the internationalization of the footwear industry; (2) the internal competition generated by the actions of the state governments shows itself capable of impacting the location of the production centers and the displacement of the primary footwear exporting agents. Managers should evaluate the political environment (in-state and country-level) before the relocation of manufacturing plants, given that tax incentives and opportunities for cheap labor can benefit the industry competition in looking international markets. This paper contributes to the understanding of the impact of critical factors related to the trajectory market up to the 1990s (Fleury and Fleury, 2011).

**Keywords:** Institutional Theory. Import. Export. Documentary Research.

## 1. Introduction

Firms in emerging economies, such as Brazil, are committed to internationalizing processes as a means of protecting themselves from the instability existing in their domestic markets (Monticelli *et al.*, 2017). However, Brazilian firms have been late to internationalize, first because of the huge domestic market, and second because of the protectionist measures that isolated the domestic market up to the 1990s (Fleury and Fleury, 2011).

Once the internationalization process (of sectors) started, evolved in an asymmetric and non-uniform way in specific historical periods. This is because the formal institutions (at the governmental/ regulatory level) are shaped according to political conjunctures. At certain times they act proactively and in others in a restrictive way (Cuervo-Cazzura, Gaur, and Singh, 2019). Previous studies have already shown how institutions can influence a sector (Prochnik and Une, 2002; Souza, 2003; Costa, 2007; Queiroz, 2012; Calixto *et al.*, 2013).

Government involvement has a strong effect on international expansion. Moreover, different types and levels of governments have different objectives, exert different institutional pressures on firms, and impact their willingness and ability to internationalize differently. Government involvement influences the level of overseas investment, its location (developed vs developing countries), and its type (resource vs. market-seeking) (Wang *et al.*, 2012).

These political conjectures are basically determined by political decisions and governmental issues, which are research topics increasing in recent years. For example, literature shows the relationship between the impeachment of former president Dilma Rousseff and the investment of Brazilian companies (Jucá and Fishlow, 2021). Moreover, research about the relationship between electoral processes and organizations' investment (An *et al.*, 2016; Jens, 2017; Wang *et al.*, 2014), as well as between dictatorial regimes and private investment (Albertus and Gay, 2019; Marquis and Qiao, 2020); the relationship of widespread protests and institutional policies in an oil-dependent economy (Houeland, 2020), political decisions and the growth of business groups (Gama, Bandeira-De-Mello and Spuldaro, 2018), among other studies are being conducted.

On the other hand, studies focusing on analyzing the government effects in firms' internationalization, used to be developed at the firm level, such as Monticelli, Garrido, and Vasconcellos (2017) that based on Brazilian wine industry insights, verified that government cannot afford resources to benefit or protect all the industries, as well as cannot provide incentives to all firms. So, at the firm level, the authors explain that the firm's choices are based on trying to achieve

economic advantages through political influences. However, studies focused on analyzing policy decisions that resulted in institutional changes and their effects on internationalization at the industry level, which is the objective of this article, to the best of our knowledge, are not present in the literature.

So, we looked at this gap, and this article focuses on analyzing the main policy decisions that resulted in institutional changes and their effects on the internationalization process of the Brazilian footwear industry. We understand that institutional transitions (in case, policy decisions) can be related to internationalization growth (or retraction) in emerging countries. Strategically, it can help to understand the impact on different sectors and a historical approach to help construct a longitudinal panorama on the understanding of critical factors related to the trajectory of internationalization in emerging countries (Cuervo-Cazzura, Gaur, & Singh, 2019).

This article is structured in the following sections. This first presents the context of the study, the research gap, its objectives, and its contributions. Then, the theoretical framework that links the internationalization context with institutional theory is drawn. In the third session, the research procedures are presented, followed by the results and discussions. Finally, limitations and suggestions for future research are discussed.

## 2. Theoretical Framework

The internationalization of companies was a topic with its first specific and prominent studies in the 1970s (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahlne, 1977). Over the years, studies have addressed different assumptions. Some consider endogenous and strategic aspects of the company so that the internationalization process can be started – explained by the Market Power Theory (Hymer, 1960), Internalization Theory (Buckley & Casson, 1976; 1998), by the Eclectic Paradigm (Dunning, 1977; 1980) and by the Theory of International Entrepreneurship (Mcdougall & Oviatt, 1997).

Such approaches predominantly credit the company's (or specifically the entrepreneur's) endogenous factors for the process of starting activities abroad. On the other hand, a theoretical field considers that exogenous factors foster the internationalization process. This train of thought is aligned with deterministic models of different stages during entry and expansion in the foreign market (Johanson & Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977).

Among the exogenous factors, noteworthy is the Institutional Environment (IE), which theoretically is crystallized as "the rules of the game" (North, 1991). Institutions arise to reduce transaction costs arising from uncertainties related to the realization of generated business. Put another way; institutions formalize how players should act within each game. Following this analogy, each IE (in this article considered a country) is a board with different players.

The IE can be explained by Institutional Theory (IT), which is also widely accepted and used as a background to help the development of studies on internationalization (Hoskisson *et al.*, 2000; Meyer *et al.*, 2000; Kostova, Roth, and Dacin, 2008; Peng, Wang, and Jiang, 2008). The Institutional Theory migrated its focus which was previously based on the experience of developed countries (specifically the Nordic ones) (Johanson and Vahlne, 2009), to the study in emerging countries (Hoskisson *et al.*, 2000). This article has its background on Arnold and Quelch (1998), which explains that emerging countries as those with a high rate of economic development and government policies that benefit economic freedom and free markets.

Institutions arise to reduce uncertainties about the execution of exchanges, acting like the game's rules (North, 1991). Arend, Cario, and Enderle (2012) show that institutions act as informal limitations, going beyond just setting limits for some competition. In this way, institutions are more than unspoken rules. They are also translated through the culture of individuals since when there are no explicit rules, the conduct of individuals would be guided by customs and cultural aspects. It is essential to point out that institutions, together with technology, determine transaction costs, and

when these are considerable, institutions become even more relevant (Arend, Cario, & Enderle, 2012). In this way, the institutions even start to compose as part of the transaction costs.

It is noteworthy that transition economies are most often classified as institutionally fragile, enabling the informal economy, also known as the gray economy (Peng, 2001). In turn, in this corporate weakened context, or better defined as underdeveloped. The morally contestable action of some entrepreneurs is driven to the extent that there is no specific outline of the game's rules.

## 2.1 Policy decisions and institutional transitions

Political risks are directly associated with government actions that deny or restrict the right of an investor/owner (Howell, 2014), that is, political risk is often conceived in terms of governmental interference with business operations, such as political acts, policy decisions, or restrictions imposed on enterprises (Kobrin, 1979).

Political risk is also related to the risk found in the capital and credit market whose potential financial losses occur when one of the contracting parties does not honor its commitments. The losses are related to the resources that will no longer be received. This type of risk can be divided into three groups highlighted by Khattab, Anchor, and Davies (2007): Country risk, as in the case of moratoria of Latin American countries; (2) Political risk, when there are restrictions on the free flow of capital between countries, states, municipalities, etc. This may originate from military coups, new economic policies, because of new elections, etc.; (3) Risk of nonpayment, when one of the parties in a contract can no longer honor its commitments (Costa & Figueira, 2017).

The existing literature in management, economics, and political science presents how political institutions are affected by political risks. Most debate rages consider the impact of democratic political institutions on foreign direct investors, once, there are several mechanisms through which political regimes could affect investors, from political risk to tax policy, to government policies affecting macroeconomic performance. This existing literature is populated by both conflicting theories and incongruous empirical results advocating either the positive or negative impact of democracy on political risk (Jensen, 2008).

What is well-known is that policy decisions cause institutional transitions, which are “fundamental and comprehensive changes introduced to the formal and informal rules of the game that affect organizations as players” (Peng, 2003: 275). Institutional transitions are generally defined as strategic-institutional steps that an initially planned economy uses to liberalize its previously closed markets (Peng, 1997; 2000; 2002; Peng & Luo, 2000). In international markets, in some cases, the transition is entangled with the government's direct commitment to the expansion of its subsidiaries, and multinational companies in their national territories (Peng, 2000). In emerging economies is often believed that the great institutional transitions are the transitions from government control to market competition (Wright *et al.*, 2005).

Li, Peng, and Macaulay (2013) list three reasons why governments have continued to assert their importance in institutional transitions. First, because more formal market institutions need to be supported by strong governments (Peng *et al.*, 2009). Second, from a cultural and historical view, governments in emerging economies today (such as Brazil, China, India, and Russia) have usually been heavy-handed in their intervention in many fields. While in democracies there are some reductions in government intervention during institutional transitions (Jensen, 2008), governments still possess considerable power in approving projects and allocating resources (Hitt *et al.*, 2004; Li, Peng, & Macaulay, 2013). Third, stimulus packages made by governments since the 2008 economic crisis have strengthened government influences. “The decisions made by governments in developed economies to bail out troubled firms have emboldened governments in emerging economies not to “withdraw” but to advance government influences” (Li, Peng, & Macaulay, 2013: 207).

Scott (1995) classifies three pillars of the institutional environment of the host country: regulatory, normative, and cognitive. Regulatory refers to rules and laws of society to provide stability, transparency, and order. Normative refers to the domain of social values (culture, language,



and norms of society). So, when we face that the regulatory pillar is basically done by government decisions, we can conclude that political risk obviously influences considerations of cost and risk, which in turn impacts the internationalization process (Costa & Figueira, 2017).

### 3. Methodological Procedure

Data from Abicalçados (2018) show that the sector is made up of more than 7,000 companies, most of them small. Brazil is the 4th largest shoe producer globally, and in 2018 it was responsible for more than 280,000 direct jobs. In 2017, more than US\$ 970 million came from footwear exports to more than 160 countries of destination for Brazilian production. RAIS (2019) is more accurate and points out that in 2017 there were 276,463 direct jobs in the footwear industries. In 2018 this number dropped to 273,114, that is, a drop of approximately 1.28%. The remuneration of industries fell in 2018 compared to 2017, from BRL 1,706.15 to BRL 1,690.71, a variation of approximately 0.9%.

At the national level, more comprehensive and with more visible actions is Abicalçados, which has been operating since 1983, headquartered in Novo Hamburgo (not by chance known as the national capital of footwear). As the leading strategic guide, its mission is to represent, develop, and promote the Brazilian footwear sector with respect, excellence, and results (Abicalçados, 2020).

On the other hand, there are also more minor associations, with municipal and regional actions, such as the trade unions of the Footwear Industry of Franca, the Footwear Industries of Jaú, the Footwear Industries of Birigui, the Footwear, Clothing and Components for Footwear from Igrejinha, from the Footwear Industry, Footwear Components from Três Coroas among others. One of the main differences of these unions about Abicalçados is their central performance. Generally, these focus on actions and employer meetings in discussing agendas for the regional industry they represent, such as negotiations and negotiations with workers.

Promoting entities with the Brazilian Export and Investment Promotion Agency - APEX-Brasil (often in partnership with Abicalçados itself) seeks to promote Brazilian products and services abroad and attract foreign investment to strategic sectors of the Brazilian economy. Nevertheless, the organization supported 15,737 Brazilian companies, totaling US\$ 51.5 billion, that is, 21.5% of everything exported by Brazil in 2018 (APEX-Brasil, 2019). Also, according to the organization itself, it has 347 employees, 303 of which work in Brazil and 44 abroad.

Data from Abicalçados (2018) show that the fairs generated an amount of US\$ 162.335 million in sales of shoes produced in Brazil. The amount represents approximately 14.55% of the amount exported by the country in 2018, compared to the total reported by Comex Stat (2020). The macro-level counts with the capacity and competence of inspection and regulation. The government acts as the principal agent, whether at the municipal, state, or federal level. In this analysis, the main scopes are the state and federal levels. The possible consequences these had on the internationalization of the Brazilian footwear industry will be presented in sequence.

#### 3.2 Data collection and analysis procedures

To respond to the main objective of this study, that is, to analyze the main policy decisions that resulted in institutional changes and their effects on the internationalization of the Brazilian footwear industry, descriptive research was executed. To gather information about the footwear sector, documentary research was carried out, through a search in different sources and different organizations, from government bases (IBGE and MDIC) to data collected by representative entities of the sector, such as available on free portals access as Comex Stat - MDIC, UNCTAD, Abicalçados portal and other news portals on the economy and foreign trade. The composition of the studies discussed is presented in Figure 1, which presents the secondary data sources and the primary information used.

To define the products researched in the secondary database platforms, it should be noted that all those included in the Mercosur Common Nomenclature (NCM) of root 64, which represent shoes,

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gaiters, and related parties, were considered. On the Comex Stat - MDIC platform, it was possible to select all specific NCM related to products used as a unit of analysis, ranging from 64.04 to 64.06.

**Figure 1:** Secondary data sources.

Name	Source/Type	Year	Features / criteria to filter the information
Abicalçados Annual Reports	Reports formulated by Abicalçados for its associates	2017-2018	It presents the footwear sector through national (national footwear production, number of companies, number of jobs, main regions, types of products, trade defenses) and international panoramas, including fairs and respective results of events organized by Abicalçados through commercial expeditions
UNCTAD	Trade report prepared by the United Nations Chamber of Commerce	1997-2019	Information on imports and exports from the root of code, main import destinations, and trade balance amounts.
Comex Stat	Data provided by MDIC	1997-2019	Extraction of data related to the NCM of root 64: imports, exports, and main countries with respective values, by years and months.
IBGE	IBGE data	1994-2020	Data on GDP, inhabitants, HDI of municipalities, number of inhabitants, historical data on inflation
Statist	Information on national and international footwear consumption	2010 and projections till 2023	Information and projections on the average consumption of footwear, ranking of the main footwear producers.
BNDES	Articles on the Leather-Footwear Industry	2001	Reports that present a perspective on the leather-footwear industries in the 1990s, information on local arrangements and national production.
World Bank	GDP data for emerging countries	1995-2017	GDP of emerging countries
International Trade Centre	Information about the main shoe-producing countries	2019	List of shoe-producing countries and global representation
RAIS	The report provided by the Ministry of Economy	2020	Relatório Anual das Informações Sociais – (Annual Social Information Report) RAIS presents salaries by regions and types of industries, number of employees and other social information of Brazilian workers.
CAMEX/ SDCOM	Reports on <i>Anti-Dumping</i> Measures	2020	Reports and Ordinances on Antidumping Measures sanctioned by CAMEX/SDCOM in relation to footwear imports
World Footwear	World reports on footwear production/marketing	2019	Reports and world perspectives on the production and sale of shoes by the non-profit entity

**Source:** the authors.

For data analysis, data triangulation was used, adopting the precepts of a longitudinal study based on an analysis of certain events, as proposed by Melin (1992). The use of a longitudinal approach to economics is a strong indication and trend for studies on internationalization (Cuervo-Cazzura, Singh, & Gaur, 2019). Melin (1992) proposed that such a longitudinal approach aims to understand the historical facts reflected in emerging countries' economies. The collection sought to contemplate different government measures that oversaw the federal executive power. Based on the

last 30 years, considered the initial year 1990 – once this being the first year as it opened the Brazilian market to foreign products by reducing import tax rates.

#### 4. Presentation and Analysis of Results

The state governments actions and consequences on the Brazilian Footwear Industry" discusses the significant impact of state-level policies, particularly in relation to the ICMS tax, on Brazil's footwear industry. The average ICMS rate is 17%, but variations occur due to each state's autonomy in setting specific rates for different production sectors. Dulci (2002) notes that these differential rates, a part of the 'fiscal war', are tactics used within Brazil's vast geographical expanse to address economic and social disparities among federative entities. This dynamic creates a complex fiscal landscape affecting the footwear industry.

The fiscal war initially had the automobile industry as the most involved industry. Moreover, agribusiness, the technology-based one, was initially established in Southeastern Brazil and migrated to Amazonas after creating the Free Economic Zone of Manaus. The same migration movement was found in the footwear leather sector, which was initially predominantly established in the south of the country and migrated to the north and northeast to take advantage of the tax incentives (Dulci, 2002).

Prochnik and Une (2002) showed that the migration of footwear industries located in the south and southeast of Brazil, still from the Brazilian industrialization of the 1960s and 1970s, occurred with great force in the 1990s and early 2000s. Industries were attracted by tax incentives and the fact that labor was cheaper in the south and southeast, which is confirmed to be true to this day.

For example, Calçados Azaleia also moved in the same direction, even before being incorporated by Vulcabras S.A. at the time. The migration to the country's northern region emerged to reduce production costs soon after the same company began to internationalize its production with the same purpose (Milagres, 2011). The migratory movement is not something new, although until then it has not been widespread in Brazil, it is noteworthy that the same has happened to the United States, Great Germany, Britain, and France in the footwear sector: these countries verified that the costs production in emerging countries was lower than theirs, so they moved from shoe exporters to importers to take advantage of a specific economic opportunity (Lima, Borsoi, & Araújo, 2011).

It is worth noting that this migration of manufacturing plants from the south and southeast to the state of Ceará generated impacts far beyond the economic magnitudes, companies that migrated from the main footwear clusters to Ceará found cheap labor, but without qualification. Furthermore, in addition to the low labor costs, there were no union organizations to defend the rights of factory workers since the region did not have robust industrialization (Lima, Borsoi, & Araújo, 2011).

Finally, as shown by Lima, Borsoi, and Araújo (2011), the beginning of fiscal wars in Brazil took place after the opening of the Brazilian market to imports (which took place in the 1990s, during the government of Fernando Collor de Melo). The following section precisely addresses the effects of the actions of different federal governments on the internationalization of the Brazilian footwear sector.

##### 4.1 The Federal Governments decisions and consequences in the Brazilian footwear industry

Some government actions were responsible for the Brazilian trade balance of the international trade in shoes and any internal reorganization caused by the fiscal wars between the states. Among some verified and easily evidenced are the opening of the national market to imports, the implementation of the actual plan, the anti-dumping barriers, exemptions on the payroll, and, in the end, the labor reform - as shown in Figure 2. It should be noted that even if some measures were not implemented specifically for the footwear sector, they affected it significantly.

Among some measures made possible through the 1988 Constitution is the beginning of the **market opening**. According to Francischini and Azevedo (2003), the new constitution made it possible, through the decentralization of the Union's taxation and the untying of some taxes on

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imports, the feasibility of importing products to Brazil. In addition, the flexibility of state and municipal public policies to attract investments. Among the main effects evidenced in the national footwear industry, the spatial reorganization of the manufacturing plants was the most evident (presented in more detail later). It was the migration of the footwear industries from the south and southeast to the north and northeast. Corrêa (2001, p. 69) presents the main motivating factors:

Footwear companies in the South and Southeast were moving to the Northeast in search of cheaper labor and incentives from state governments. Furthermore, in some cases, seeking to adapt to production aimed at the foreign market, as the pressure competition forced the Brazilian footwear manufacturer, in addition to other measures, to reduce production and transport costs. The northeast has an advantage when remembering this aspect due to its privileged location with the United States, our leading importer.

**Figure 2:** Government decisions that reflected in the internationalization of the footwear sector.

Year	President	Decision	Outcomes
1990	Fernando Collor	Opening the Brazilian market to foreign products / reducing import tax rates	The internal competition in the footwear sector intensified, as the country starts to receive external competition, without clear exchange protection and domestic product valorization.
1994	Itamar Franco	Implementation of The Real Plan	Stabilization of prices and the start of control over inflation in Brazil.
2010	Luiz Inácio Lula da Silva	Implementation of anti-dumping policies	Restriction of footwear imports from China by charging an extra fee for each pair of imported footwear. Almost immediate decrease in shoe imports from China.
2011	Dilma Rousseff	Payroll tax Exemption	The footwear sector was one of the first to benefit from the reduction in taxes calculated on the payroll, reducing production costs.
2017	Michel Temer	Brazilian Labor Reform	Implementation of some changes in labor legislation to make the legislation more flexible.

**Source:** the authors.

In addition to this episode, another quite visible was the devaluation of the national industry, previously "protected" from international competition through high import tariffs, now at the mercy of its devaluation compared to the US Dollar (considered the main currency for international transactions). The primary measure taken by the federal government was the implementation of The Plano Real, in July 1994, during the government of Itamar Franco. **The Real Plan** was essential when the national economy suffered even more with the devaluation of its currency with international competition. Once the gradual reduction of import tariffs became a reality, the national currency, proportionally, loses its value again compared to the US dollar.

Another measure explicitly created to **control the dumping** of Chinese shoes in Brazil. The practice of dumping in the footwear sector started at the beginning of the 2000s. China was already over 40% of the leading shoe exporter to Brazil (Dutra, Poerschke, & Alvarenga, 2018). Dumping is harmful to the industry. Three specific conditions are highlighted: imports at meager prices, damage to the domestic industry, the causal link between the practice of dumping, and damage to the domestic industry (Sdcom, 2019). In the footwear sector, the practice occurred, as evidenced by Dutra, Poerschke, and Alvarenga (2018). However, although the legislation applied to footwear produced in China has, in fact, considerably reduced the export of footwear from that country, the amount exported from other producing countries has not changed. Furthermore, the effects are presented later in the section related to the Brazilian consumption of shoes and in the section that presents international competition.

Another impacting government decision was **the payroll tax exemptions**. The first by Dilma Rousseff (2011-2014), a series of actions aimed at boosting the Brazilian economy through incentives to industries, among them the payroll tax exemption. Some authors claim that the tax burden on industrial activity in Brazil constitutes a significant impediment to the economic and social development of the country's business range (Bertini & Wünsch, 2014).

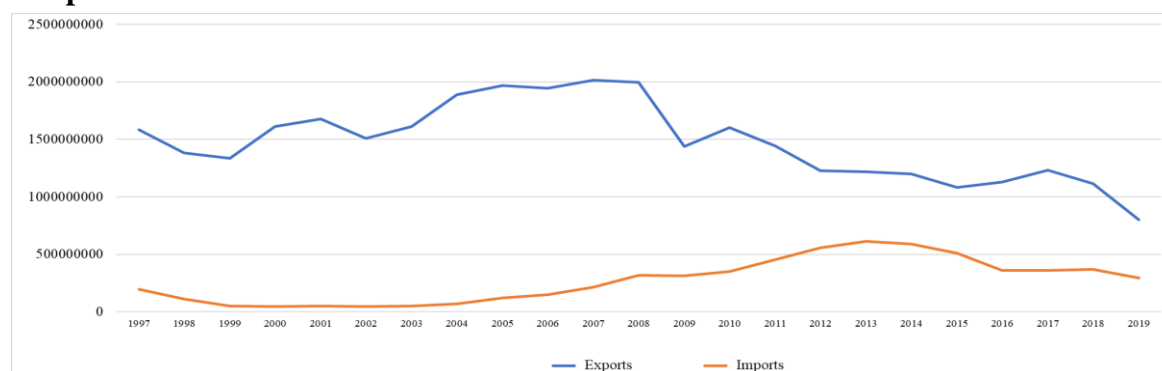
Although the payroll tax exemption took place in 2011, through law 12,546, of December 14, its effects are verified in the following years. Its main effect is to reduce the quota of 20% of employer contribution charged on the total payroll and the amount of 1 or 2% on Gross Revenue – RB is considered. Scherer (2015) shows that the average reduction reached 14.5% of the costs related to each regular employee, which indirectly helped in reducing the costs of export-oriented products. According to the author, payroll exemption increased the demand for jobs in the footwear sector, but less than expected. Bertini and Wünsch (2014), on the other hand, also show that the financial impact related to the exemption from payroll reduced the costs of companies, which consequently presented a positive financial result after the change.

Finally, although the **Brazilian Labor Reform** was not focusing on the footwear sector, it indirectly benefited from the reform. The Labor Reform is associated with the flexibility of legislation that regulates employee-employer relations, overlapping some collective agreements concerning labor laws (Abdala & Loos, 2019; Carvalho, 2017). Among the main changes provided by Law 13,467, of July 13, 2017, it is worth mentioning: flexible working hours; flexible remuneration; intermittent work and self-employed work; changes in employment contract terminations.

#### 4.2 Impacts in Exports and Imports of the Brazilian footwear industry

The Brazilian trade balance (imports and exports of shoes) showed a non-linear behavior over the period analyzed. As shown in Graph 1, it is even possible to identify the sector's behavior after the subprime crisis in 2008. The growth that the number of imports (orange line in the graph) obtained in the range of years 2010 to 2013 when Asian shoes began to represent threats to those produced and consumed in Brazil.

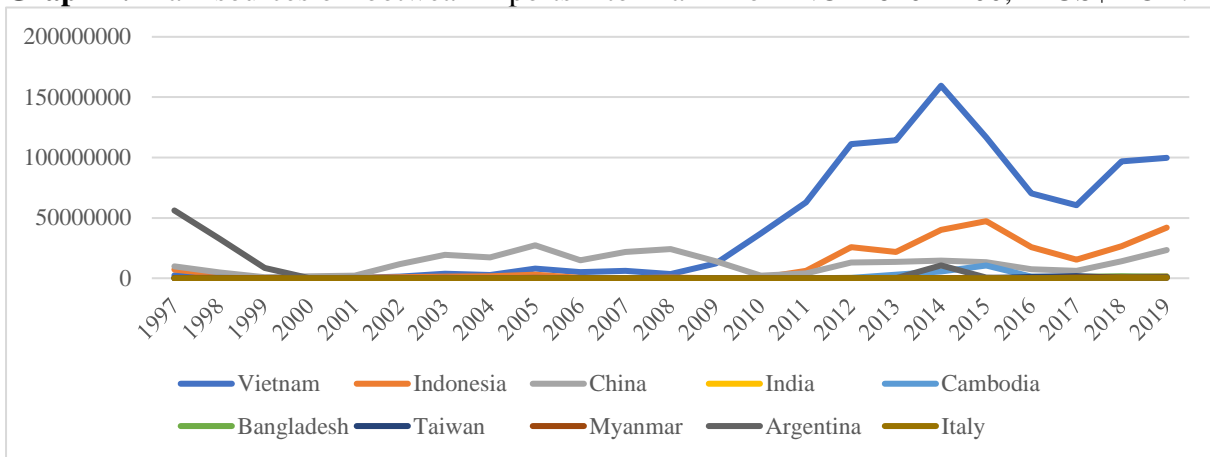
**Graph 1:** Brazilian footwear trade balance.



**Source:** elaborated by the authors based on Comex Stat (2019) data.

**POLICY DECISIONS AND INSTITUTIONAL CHANGE EFFECTS OF BRAZILIAN FOOTWEAR INDUSTRY INTERNATIONALIZATION**

**Graph 2:** Main sources of footwear imports into Brazil from NCM 64041100, in US\$ FOB.



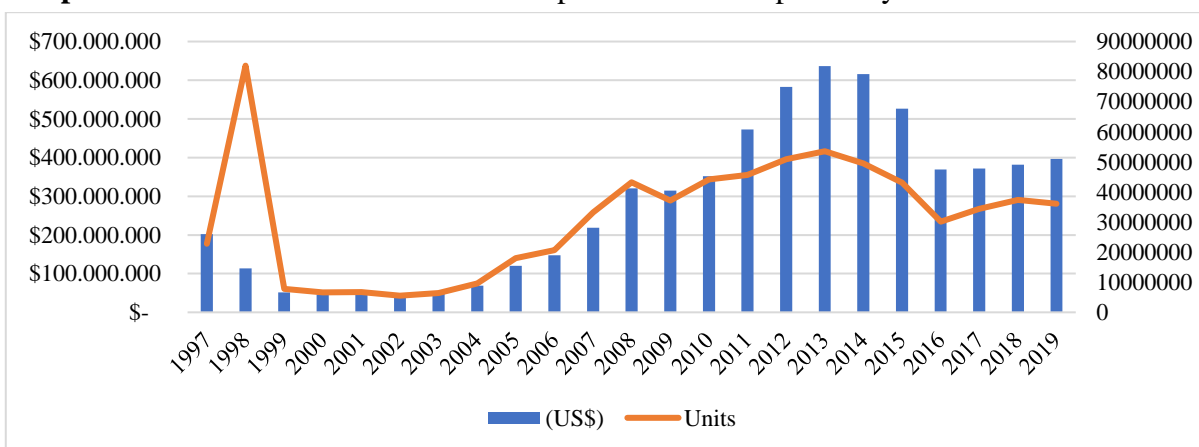
**Source:** elaborated by the authors based on Comex Stat (2019) data.

As the paramount footwear exporting country with Brazil as a destination (Graph 2), Vietnam stands out, which in 2019 presents almost half of the entire proportion of footwear imported to Brazil. In smaller proportions is Indonesia with 21%, China with 13% and Italy with 7.5%.

It is important to emphasize that Vietnam has some leading brands producing sports shoes, such as Nike, Adidas, Skechers, and other footwear brands dedicated to sports practices. In turn, these products from the NCM 64.04-1100 (defined as sports shoes; tennis shoes, basketball, gymnastics, training, and the like) are the most imported products to Brazil in the analyzed category. The drop in the exports of the given NCM between 2008 and 2009 from China and the consistent increase in imports from Vietnam and, to a lesser extent, from Indonesia reflects the Brazilian anti-dumping actions on Chinese shoes. Those facts can generate the "triangulation effect," where some companies stop producing a specific product in each country due to over-taxation and start producing in another that is not under restrictive trade sanctions.

From a longitudinal aspect, it is possible to see that the import of shoes to Brazil has suffered variations with similar characteristics to the GDP (see a graph of the respective GDP and BRICS countries below). It also indirectly impacted the institutional articulations of Abicalçados and restrictions of *Anti-Dumping* actions, which limited imports to a minimum unit value per product. Graph 3 shows the relationship between *Free on Board* – FOB imported values and the number of pairs imported into Brazil.

**Graph 3:** Relation between FOB Value of pairs of shoes imported by Brazil from 1997 to 2019.



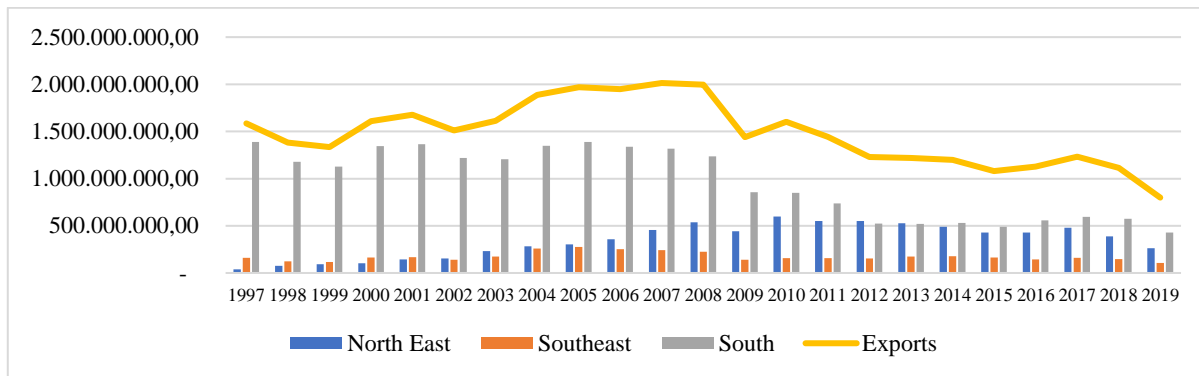
**Source:** elaborated by the authors based on Comex Stat (2019) data.

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Considering that the main footwear clusters presented (here concerning the state governments), it is possible to verify how much they represent the trade balance in imports and exports. Graph 4, which differentiates exports by the south, southeast, and northeast, details the data.

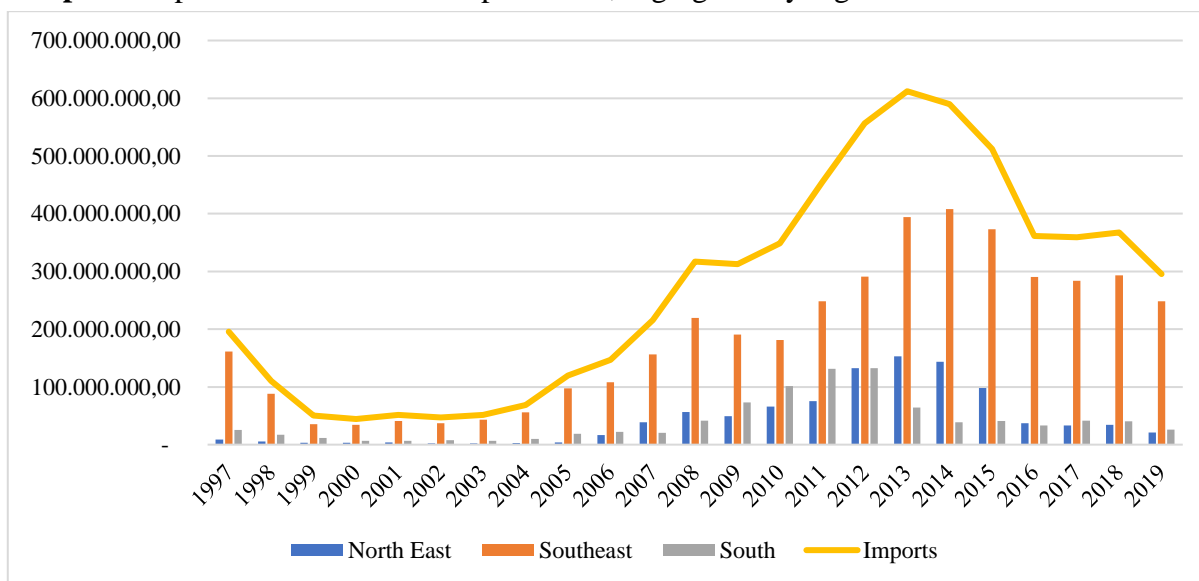
Analyzing the imports, south, southeast, and northeast regions reached the peak of imports of shoes and their parts until 2017, after which time there was a slowdown in imports of such products. As expressed in Graph 5, the Southeast region is the most representative in imports.

**Graph 4:** Exports of shoes and their parts US\$, segregated by region.



**Source:** elaborated by the authors based on Comex Stat (2019) data.

**Graph 5:** Imports of shoes and their parts US\$, segregated by regions.



**Source:** Comex Stat, elaborated by the authors (2020).

It is noteworthy that the three regions (not by chance the most significantly responsible for the amounts of imports and exports) have certain similarities with the national scenario. So, observing the results, Brazilian footwear exports and imports suffered impacts (positive and negative in the amounts exported) in different ways over the period, whose data are available on the Comex Stat, Statista, and UNCTAD platforms. Despite small divergences between the different bases, the period between the first and second terms of President Luís Inácio Lula da Silva was one of significant expansion in footwear exports. To a lesser extent, imports also grew. In the second term of President Lula, the so-called crisis of 2008 occurred, where Brazil was one of the most affected countries.

President Dilma Rousseff's exports gradually increased in the first year, up to the third year. In the second term, which was interrupted due to the impeachment, the sector falls were minor than the 2008 crisis, but in considerable magnitudes.

## 5. Discussions

When analyzing the findings, there are three results to discuss. The first is related to the federal government's decisions, and our results show an impact on the internationalization of the footwear sector. In different magnitudes, the opening of the market, the implantation of the Real Plan, the anti-dumping, the exemption of the payroll, and the Labor Reform were decisions of the federal level reflected in the sector. The second result refers to the internal competition generated by the actions of state governments, which is capable of directly impacting the location of production centers and the displacement of the leading footwear exporting agents. More specifically, the preliminary decision at the state level that affected the industry was the fiscal war, which, through reduced tax rates, encouraged the migration of factories previously established in the south and southeast regions. This measure generated a reallocation of the manufacturing plants that migrated in search of tax incentives and lower-cost labor.

These two results corroborate with previous studies indicating that institutions somehow influence the footwear sector (Prochnik and Une, 2002; Souza, 2003; Costa, 2007; Queiroz, 2012; Calixto *et al.*, 2013). Other studies verified policy decisions and government issues in other sectors and on other variables (An *et al.*, 2016; Jens, 2017; Wang *et al.*, 2014; Albertus and Gay, 2019; Marquis and Qiao, 2020; Gama, Bandeira-De-Mello, and Spuldaro, 2018).

Third, the theoretical contribution is to understand the distinct way that specific institutional transitions and critical events are related to practices and guidelines for (or against) the internationalization of emerging countries (Cuervo-Cazzura, Gaur, and Singh, 2019). when verifying the influence that government measures (federal and state levels) had on trade opening, relocation of the industrial plant, commercial protection of the national footwear industry, and reduction of production costs.

In practical terms, the results serve as a basis for companies in the sector to expand their import and export activities and investments by understanding the relocation of manufacturing plants. Given tax incentives and opportunities for cheap labor, understand the historical context of the industry and the challenges related to the main international competitors in the production of shoes. So, managers should evaluate the political environment (in-state and country-level) before the relocation of manufacturing plants, given that tax incentives and opportunities for cheap labor can benefit the industry competition in looking at international markets.

## 6. Limitations and recommendations for further research

As the study's main limitations, the non-use of primary data is highlighted, which may have resulted in the omission of relevant government decisions. It is noteworthy that the events and decisions that impacted the sector were selected for their repercussion and apparent impacts on the internationalization of the footwear sector in emerging countries. Furthermore, some reports on the export amounts were not included in the last quarter of 2019, and the latest reports from Abicalçados for 2019 were not yet available. The lack of this report may lead to the analysis's imprecision related to this period, however, without reducing or changing the information available and collected until 2018.

As suggestions for future studies, it is proposed to measure the percentage of migration of footwear companies to the northeast, and measure and explain the triangulation effect of footwear imports in Brazil to clarify the constant increase in imports from Vietnam. It is also advisable for the economic and financial measurement of tax incentives granted by states and perhaps municipalities to explain in greater depth the migration of manufacturing plants in the footwear sector.

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**DESAFIOS À CRIATIVIDADE NA PRODUÇÃO *FAST FASHION*:  
UM ESTUDO NA INDÚSTRIA CALÇADISTA**

**Pâmella Diandra Pereira Hiller**

Graduada em Administração  
Instituição Evangélica de Novo Hamburgo - IENH  
E-mail: pamella.pereira22@gmail.com

**Sílvio Luís de Vasconcellos**

Doutor em Administração  
Escola Superior de Propaganda e Marketing - ESPM  
E-mail: silviolvasconcellos@gmail.com

**Vanessa Theis**

Doutora em Qualidade Ambiental  
Universidade Feevale  
E-mail: nessa.theis@gmail.com

**Dusan Schreiber**

Doutor em Administração  
Universidade Feevale  
E-mail: dusan@feevale.br

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## Resumo

O objetivo do estudo é identificar como, em condições de pressão, a criatividade é percebida pelos integrantes de equipes de desenvolvimento de produtos na produção orientada para *fast fashion*. Foi conduzida uma pesquisa de caráter descritivo, de abordagem qualitativa e como estratégia optou-se pelo estudo de caso único em uma empresa de grande porte, produtora de calçados femininos, na qual foram conduzidas sete entrevistas com pessoas em diferentes posições no desenvolvimento de produtos, aliadas à observação participante. À luz da Visão Baseada em Recursos, a pesquisa é original por avaliar como a criatividade organizacional se desenvolve em setores voltados a produção em larga escala, como é o caso da *fast fashion* calçadista. O estudo revela que as barreiras a criatividade possuem nuances não completamente reveladas em estudos anteriores, por tratar da criatividade em diferentes níveis organizacionais. O estudo chama a atenção para o ambiente criativo, propondo um olhar mais atento para as motivações intrínsecas e extrínsecas dos profissionais envolvidos com o desenvolvimento de coleções de moda.

**Palavras-chave:** Criatividade organizacional. Barreiras à criatividade. *Fast fashion*. Estudo de caso único.

## 1 Introdução

Nos últimos anos, a criatividade tem se tornado cada vez mais importante para as organizações, especialmente diante de um cenário de mudanças constantes e intensificação de incerteza. A necessidade de enfrentar essas mudanças e se adaptar ao cenário econômico tem levado as empresas a valorizarem a criatividade como um recurso essencial para a inovação (J. Zhou & Shalley, 2008; Zhou & Li, 2012). Cada vez mais, se vislumbra que a criatividade organizacional é um fator determinante para o desenvolvimento de capacidades e competências que proporcionam vantagem competitiva (de Vasconcellos et al., 2019; Javidan, 1998).

Empresas que atuam no setor da moda, em especial aquelas voltadas para a produção de *fast fashion*, enfrentam desafios ainda maiores no que diz respeito inovar e enfrentar tal cenário. O ritmo acelerado desse tipo de produção exige que as empresas sejam criativas em intervalos de tempo cada vez mais curtos (Bhardwaj & Fairhurst, 2010). A indústria calçadista, inserida nesse contexto, precisa constantemente buscar alternativas na fabricação e desenvolvimento de calçados, lidando com a pressão de produzir em larga escala e ao mesmo tempo ser criativa (Rigby et al., 2009).

Nesse cenário, o desenvolvimento e gerenciamento da criatividade assumem um papel fundamental. Os gestores organizacionais precisam criar ambientes que estimulem o potencial criativo dos colaboradores, uma vez que a forma como a empresa é percebida em termos de criatividade pode influenciar sua competitividade (Chu, 2018). A busca por estratégias que estimulem a criatividade e superem as barreiras existentes torna-se crucial para promover a inovação nas organizações (Blauth et al., 2014; Gao et al., 2021).

Este estudo adota a perspectiva da Visão Baseada em Recursos (VBR) para analisar a importância da criatividade organizacional como um recurso intangível para a construção de vantagem competitiva sustentável, tomando esse recurso como de valor, raro e dificilmente imitável no espectro competitivo (Barney, 1991, 1995). A pesquisa se propõe identificar como, em condições de pressão, a criatividade é percebida pelos integrantes de equipes de desenvolvimento de produtos na produção orientada para *fast fashion*. Ao compreender esses fatores, espera-se contribuir para a criação de ambientes organizacionais mais propícios à criatividade e que permitam a emergência da criatividade organizacional, mesmo sob condições de pressão por velocidade na produção.

Um estudo de caso único foi realizado em uma empresa calçadista de grande porte localizada no Brasil. A escolha dessa empresa se deve ao fato de ela ser líder na indústria da moda e seguir a lógica de produção *fast fashion*. A coleta de dados foi realizada por meio de entrevistas semiestruturadas,

observação participante e análise documental. A abordagem qualitativa permite uma compreensão mais aprofundada das percepções dos colaboradores sobre a criatividade no contexto do desenvolvimento de produtos.

Os resultados da pesquisa indicam que as percepções sobre a criatividade são variadas dentro das equipes de desenvolvimento de produtos. Enquanto alguns líderes percebem elementos que estimulam a criatividade, os colaboradores diretamente envolvidos na criação de novos modelos muitas vezes se sentem pressionados e limitados em sua criatividade. Essa diferença de percepção pode ser explicada por diversos fatores, como a pressão por prazos curtos, a ênfase na produtividade e a falta de autonomia criativa.

Além disso, foram identificadas algumas barreiras específicas à criatividade nesse contexto. Entre elas, destacam-se a falta de tempo para experimentação e exploração de novas ideias, a cultura organizacional voltada para resultados imediatos e a ausência de estímulos adequados, como recompensas e reconhecimento pelo trabalho criativo. Essas barreiras podem impactar negativamente a capacidade da empresa de inovar e se destacar no mercado.

Em suma, este estudo aborda a importância da criatividade nas equipes de desenvolvimento de produtos na indústria calçadista de *fast fashion*, em condições de pressão decorrentes de características específicas desse modo de produção. A partir da perspectiva da Visão Baseada em Recursos, o estudo identifica os fatores que estimulam e inibem a criatividade nesse contexto específico. Os resultados fornecem insights valiosos para as empresas do setor, permitindo o desenvolvimento de estratégias que promovam a criatividade como fonte de vantagem competitiva.

## 2 Fundamentação Teórica

Nesta seção, apresenta-se o suporte teórico que sustenta esse estudo. A partir de um preâmbulo na ótica da inovação, aborda-se os temas relacionados à criatividade organizacional como recurso, bem como as barreiras e incentivos à criatividade no ambiente organizacional.

### 2.1 Gestão da inovação

O Manual de Oslo (OECD/Eurostat, 2018), elaborado pela Organização para Cooperação e Desenvolvimento Econômico, detalha como a inovação pode ocasionar mudanças no nível da empresa. Nesta perspectiva, concentra-se em processos, produtos e negócios significativamente aprimorados, reconhecendo que as inovações organizacionais podem determinar o desempenho das empresas.

Conforme são realizadas melhorias significativas em um produto, por meio de novas combinações de materiais e serviços anteriormente disponíveis, com métodos diferentes que aprimoram os processos de fabricação, consolida-se a inovação incremental. Essas alterações promovem o aperfeiçoamento do desempenho funcional do produto, pela redução de custos ou aumento da eficiência e qualidade dos processos de produção (Osenieks & Babauska, 2014; Scherer & Carlomagno, 2009).

Por outro lado, as inovações radicais são aquelas que implicam na introdução de novos produtos que provocam grandes mudanças no mundo e tendem a criar valores de mercado (Carvalho, 2009; Nagano et al., 2014). Contudo, Rocha (2009) sinaliza que as inovações radicais, embora trazendo maior investimento, têm potencial de trazer maiores retorno. Elas representam maiores riscos e incerteza, além de que seus investimentos nem sempre trazem benefícios no curto prazo (Philip et al., 2020). A longo prazo, oferecem perspectivas para melhorar o posicionamento da empresa no mercado. Por esta razão, algumas organizações têm dificuldade de implementar as inovações radicais, uma vez que os acionistas demandam retorno rápido (Petricevic & Teece, 2019; Zawislak, 2014).

Para que a organização consiga enfrentar a volatilidade e conseqüente incerteza, é importante reconhecer as diferentes tipologias de inovação e identificar a abordagem mais adequada para viabilizar seus projetos. Entende-se que a incerteza não pode levar as empresas à descontinuidade de investimentos para inovar (Darvishmotevali et al., 2020; Nagano et al., 2014). Neste contexto, além

de investimentos, um elemento antecedente da inovação é a criatividade (Barczak et al., 2010; Im et al., 2013), tanto para minimizar investimentos como para gerar ideias de melhorias de produtos ou sua renovação perante o consumidor.

## 2.2 Criatividade organizacional

Criatividade organizacional é conceituada na literatura de gestão como um produto, serviço, ideia, procedimento ou processo novo, valioso e útil, criado por indivíduos que trabalham juntos em um sistema social complexo (Woodman et al., 1993). No entanto, nem sempre a criatividade foi bem-vinda no contexto organizacional. Quando imperava o modelo produtivo em massa, a criatividade era barrada por instrumentos que favoreciam a disciplina e a burocracia para manter o ritmo esperado na produção (Cummings, 1965). Na medida em que a diferenciação foi sendo valorizada, a criatividade, enquanto recurso, portanto criatividade organizacional, passou a ser percebida como algo valioso e de difícil imitação, favorecendo a mudança de status para recurso de primeira ordem (Amabile, 1996; de Vasconcellos et al., 2019).

O conceito de criatividade, no contexto organizacional, relaciona-se à geração de ideias, processos, produtos e/ou serviços novos, que produzam alguma contribuição valiosa para a organização (S. Acar & Runco, 2019; Souza & Bruno-Faria, 2013). A visão de Duailibi e Aravind (2009) e Bezerra e Guimarães (2017), mais voltada para o marketing e publicidade, fornece elementos para conceituar a criatividade como uma atividade orientada à existência de algo novo seguindo um objetivo previamente delimitado.

Na visão de Amabile (1997), a criatividade se refere ao modo como as pessoas pensam e resolvem problemas, através do uso da imaginação, podendo trazer benefícios às organizações. Os maiores erros conceituais referentes à criatividade são: i) a ideia de que a criatividade está relacionada com a característica de indivíduos com personalidade excêntrica; ii) de que se restringe a manifestações artísticas ou iii) que é resultado apenas da inteligência ou de boas ações.

Segundo o Modelo Componencial da Criatividade (Amabile, 1996), o processo criativo é composto por expertise, raciocínio criativo e motivação. A expertise compreende os conhecimentos e talentos específicos de determinado domínio, habilidades essas que podem ser afetadas por educação, experiência, treino formal e informal, bem como pelas capacidades técnicas desenvolvidas.

Este componente depende também do talento, que é inato e orienta o trabalho e o pensar cientificamente para explorar e resolver problemas em uma área em particular (Amabile, 1997). Empresas que têm dificuldade em transformar ideias de seus indivíduos em criatividade organizacional têm dificuldade de lidar com a inovação e, ao longo do tempo, comprometem sua capacidade de responder às mudanças que o ambiente externo lhes impõe (Amabile, 1998; Folta, 2007). Por outro lado, a criatividade organizacional, enquanto recurso, depende da forma como a organização propicia o compartilhamento de ideias, conectando os níveis de análise da criatividade do indivíduo, dos grupos e da organização (Gao et al., 2021).

O raciocínio criativo, também chamado de habilidades criativas relevantes, inclui “o estilo cognitivo, os traços de personalidade e o estilo de trabalho” (Costa, 2006, p. 24). É um componente que pode ser aplicado a qualquer domínio, não focando apenas em áreas em que a pessoa é especialista. Esse componente diz respeito à maneira pessoal de pensar, gerar ideias e solucionar os problemas. Tais habilidades dependem do estilo cognitivo que engloba um conjunto de técnicas, tais como: características de personalidade, interdependência, tolerância à ambiguidade, táticas para produzir e explorar novas alternativas, ausência de julgamentos inibidores, uso de categorias para a organização de informação e a capacidade de ser orientado para enfrentar riscos (Amabile, 1996; Costa, 2006; Gomes et al., 2016).

Os estilos de trabalho também são parte desse componente. Podem representar uma característica que se relaciona à criatividade que é referida ao trabalho intenso, aptidão para a concentração, procura da excelência, abandono de ideias com reduzido potencial de operacionalização, dedicação de longos períodos e esforços para a realização de trabalho criativo notório (Kazanjian & Drazin, 2012). Alguns destes aspectos, em algum momento, fazem parte da personalidade ou estrutura cognitiva básica do



indivíduo. Sendo inatos, podem ser aprendidos, desenvolvidos e praticados de muitas maneiras, resultando e fazendo que as pessoas aprendam a ser mais flexíveis, fluentes e originais no seu pensamento (Amabile, 1996; Costa, 2006; Muzzio, 2017).

O terceiro componente é a motivação (Gondim et al., 2015). Existem dois tipos de motivação: a intrínseca (interna ao indivíduo) e a extrínseca (externa ao indivíduo). A motivação intrínseca diz respeito à satisfação que o indivíduo aplica na tarefa, independente dos fatores e motivações externos, pelo empenho, desafio pessoal, prazer, satisfação pelo próprio trabalho, autodeterminação e competência na execução (Amabile, 1996; Gondim et al., 2015).

Já a motivação extrínseca refere-se ao envolvimento do indivíduo na realização de determinada tarefa com o objetivo de alcançar aspectos como metas, compensações, recompensas, reconhecimentos, competição e avaliação externa no processo criativo. Destaca-se que a existência de motivadores extrínsecos pode provocar efeitos positivos na motivação intrínseca (Bezerra & Guimarães, 2017; Thompson, 2018).

Neste âmbito, se determinadas recompensas são interpretadas como reconhecimento do esforço, talento e dedicação pessoal, ao invés de uma forma do mecanismo de punição e recompensa, pode suscitar a motivação intrínseca. Nesta condição em particular, a recompensa vem depois da execução do trabalho, não sendo, o motivo para a sua realização (Costa, 2006).

Amabile (1996) constatou que embora na criatividade predomine características do indivíduo, o ambiente exerce forte influência no processo criativo para que a criatividade individual possa ser compartilhada e transformada em um recurso organizacional de primeira ordem. Um ambiente em que as pessoas pensam criativamente está relacionado com a independência e autodisciplina dos indivíduos, de estímulo para assumir riscos, de tolerância à ambiguidade e incentivo à perseverança diante dos problemas e aos questionamentos das ideias preconcebidas (Bezerra & Guimarães, 2017; Gondim et al., 2015).

Enquanto a criatividade é uma característica humana que, assimilada pela organização, se torna um recurso (de Vasconcellos et al., 2019; Puccio & Cabra, 2012), a inovação é mais ampla, envolve toda uma ação organizacional para representar uma novidade que desperte interesse no mercado.

### 2.3 Criatividade como antecedente da inovação

No contexto organizacional, a criatividade é um processo de caráter cognitivo-emocional, fundamentalmente individual, quando socialmente compartilhada pode potencializar a inovação (Muzzio, 2017; Sousa, 2000). Nesta perspectiva, a criatividade constitui uma condição necessária para que a inovação ocorra com êxito (Gao et al., 2021) mesmo que envolva em paradoxos sobre a relação entre a criatividade e a produtividade dentro das organizações (Basset-Jones, 2005) ou no meio econômico quando a demanda por produção padronizada e constantemente renovada se impõe (Chu, 2018).

Esses paradoxos, relacionados às diferentes percepções sobre a criatividade dentro das organizações (Ek Styvén et al., 2022) acabam por emergir como barreiras a serem superadas (Kazanjian & Drazin, 2012) e podem culminar na fragilização da conversão da criatividade individual em criatividade organizacional (Gao et al., 2021), recurso de primeira ordem para a obtenção de vantagem competitiva (Acar et al., 2019).

Lin (2011) sinaliza que as organizações poderão adquirir vantagens competitivas através da transformação da criatividade dos colaboradores em inovação organizacional. Convém, no entanto, distinguir criatividade organizacional e inovação. Bruno-Faria, Vargas e Martínez (2013, p.11) defendem que “enquanto uma pessoa pode ser criativa e sozinha gerar ideias, a implementação de ideias, tipicamente, depende de aprovação, suporte e recursos de outros”. Esse é um fator central na diferenciação entre os dois constructos.

A inovação resulta de um conjunto de ações direcionadas, requerendo esforço sistemático, organizado, focado e com propósitos (Damanpour & Aravind, 2012).

A criatividade individual e do grupo nutrem e abastecem a inovação (Santangelo & Phene, 2022). Bruno-Faria et al. (2013) salientam que no processo da inovação pode surgir a necessidade de ajustes

como o aprimoramento de um produto, o aperfeiçoamento de ideias anteriormente estabelecidas ou de revisão de um processo de trabalho para obter um resultado mais efetivo e viável à sua implementação. Já a criatividade organizacional, enquanto recurso, influencia diretamente na produção da inovação (de Vasconcellos et al., 2019).

Em termos de desempenho, a criatividade está para o indivíduo como a inovação está para a organização (Monteiro Jr, 2011). Para Monteiro Jr (2011, p. 68), uma “pessoa pouco criativa e exageradamente avessa a risco pode ter mais dificuldades para atingir suas metas ou demorar mais ou resolver seus problemas. Mas nada impede que ela leve uma vida normal e se sinta realizada. O mesmo não pode ser dito para a organização”. A empresa que não inova, mais cedo ou mais tarde sentirá as consequências, podendo perder espaço no mercado e até deixar de existir (Mumford, 2012). Nesse sentido, a criatividade organizacional passa a ser um recurso de alto valor para a organização, ultrapassando os limites do indivíduo e valorizando a socialização de ideias (de Vasconcellos et al., 2019; Sirmon et al., 2011), estabelecendo-se como um dos pilares – ou microfundamentos – da competitividade (Foss & Pedersen, 2019; Vaz et al., 2021).

Para Rocha (2009) e Gondim et al. (2015), as empresas que não tiverem competências para flexibilizar suas estruturas e criar soluções que estimulem a criatividade dos seus empregados terão dificuldades de manterem-se em funcionamento. Elas precisam ser coordenadas por gestores que tenham a mente aberta a inovações para, assim, encontrarem formas de estimular a criatividade de seus empregados (Chang & Shih, 2018), tanto trabalhando a motivação quanto auxiliando no rompimento do pensamento tradicional vigente para implementar ideias criativas e inteligentes.

Para que a criatividade organizacional se converta em inovação, precisa ser combinada com outros recursos e capacidades organizacionais (Bissola et al., 2014; Gao et al., 2021). É essencial que haja investimento, por parte das organizações, nas condições ambientais em que o indivíduo atua e estímulos para o desenvolvimento das pessoas que fazem parte da organização.

Além de restrições em termos de questões ambientais e financeiros, diferentes elementos podem restringir o processo de transformação de criatividade do indivíduo em criatividade organizacional (Ek-Styvén et al., 2022), até mesmo as expectativas diferentes das pessoas envolvidas no processo de gerar ideias criativas a depender de suas posições hierárquicas (Yu & Wang, 2022).

#### 2.4 Barreiras à criatividade

Com relação às barreiras à inovação e fatores que inibem a criatividade, Alencar (1995) apresenta cinco categorias: estruturais, sociais e políticas, processuais, falta de recursos e, finalmente, individuais e atitudinais. As barreiras estruturais dizem respeito ao grau de importância dado ao seguimento de regras e procedimentos no desempenho das tarefas. As barreiras sociais e políticas ocorrem quando existe uma ênfase exagerada nas relações de poder e a existência de normas que reforçam o conformismo. As barreiras processuais referem-se aos procedimentos e regulamentações que frequentemente inibem a inovação e privilegiam o status quo.

A falta de recursos diz respeito à carência de profissionais, equipamentos e/ou tecnologias adequados, recursos financeiros e tempo insuficiente para se tentar criar no ambiente de trabalho diante da pressão por desempenho (Liu et al., 2022). As barreiras individuais e atitudinais compreendem as restrições presentes na própria pessoa, como medo de correr riscos, intolerância à ambiguidade, dogmatismo, inflexibilidade, conformismo (Gondim et al., 2015; Muzzio, 2017).

Com relação aos fatores que estimulam a criatividade no ambiente de trabalho, Robbins (2000) destaca que é preciso tornar o ambiente favorável para inovação, fugir do tradicional, reinventar, desprender-se das rotinas que acomodam o indivíduo e despertar o potencial criativo. No contexto organizacional, o papel do líder é fundamental, no sentido de desfazer possíveis barreiras à criatividade (Liu et al., 2022), maximizando as oportunidades para a expressão da criatividade dos colaboradores (de Alencar & de Faria, 1996; Muzzio, 2017; Popescu, 2022)

Outro fator determinante para que a criatividade se manifeste ou não, é a cultura que predomina no ambiente organizacional. Para Rocha (2009), o estímulo à criatividade está sujeito a aspectos culturais, estrutura organizacional e a criação de processos de gestão da inovação que selecionem as

melhores ideias. Na perspectiva de Robbins (2000), as organizações inovadoras tendem a ter culturas parecidas, encorajando seus colaboradores a experimentarem, premiar os sucessos e valorizar o erro como meio de aprender (Bradley et al., 2018; Cropley & Cropley, 2008).

De Alencar e de Faria (1996) e Muzzio (2017) destacam que a organização deve proporcionar salários e benefícios adequados às pessoas que geram ideias inovadoras, a fim de que os colaboradores se sintam valorizados por propor soluções criativas aos problemas da organização. Além disto, a estrutura organizacional deve ser flexível e descentralizada, caracterizada por um relacionamento interpessoal guiado pela confiança mútua e respeito às opiniões divergentes, muitas vezes associadas a papéis diferentes dentro da estrutura hierárquica da organização (Yu & Wang, 2022).

Por meio deste ambiente marcado pela liberdade, flexibilidade, respeito às diferenças e autonomia, os colaboradores terão mais facilidade no acesso às informações internas e externas, imprescindível na realização de suas atividades (Gomes et al., 2016; Gondim et al., 2015).

Diante do exposto, um dos grandes desafios apresentados aos gestores está em encontrar meios para eliminar barreiras, estimulando a expressão da criatividade entre seus colaboradores, uma vez que a criatividade é um elemento que antecede a inovação e decorre da percepção dos indivíduos (Emer & de Vasconcellos, 2021) que o ambiente é propício para compartilhar suas ideias (Ek Styvén et al., 2022). Além disso, a pressão de tempo é condicionante e inerente em ambientes competitivos (Amabile et al., 2002; Ismail, 2015) em que a entrega de produtos criativos, cada vez mais rapidamente, é essencial para manter a competitividade, como é o caso de indústrias que produzem *fast fashion* (Bhardwaj & Fairhurst, 2010; Zhu et al., 2018) e envolvidas com design (Hsiao et al., 2017).

### 3 Metodologia

Esta pesquisa é de natureza descritiva, pois busca descrever evidências à luz da teoria. Como técnica de pesquisa, utilizou-se o estudo de caso único, recomendado por Yin (2015) para pesquisas na área dos estudos organizacionais e gerenciais. Estudos de caso único são recomendáveis especialmente quando o pesquisador se defronta com um caso crítico, isto é, há uma confrontação teórica que justifique a escolha do ambiente de investigação (Yin, 2015) como é o caso da empresa escolhida, que produz *fast-fashion* em grande volume, compete por custos e necessita ser criativa para renovar suas coleções quinzenalmente, em cinco diferentes linhas de produtos, produzindo 80 milhões de pares de calçados femininos por ano.

Os critérios de escolha do caso estão associados a fatores como representatividade em termos produção *fast fashion* e a capacidade de desenvolvimento de coleções de produtos, em curto prazo, dentro da própria empresa. Além disso, buscou-se identificar um caso em que fosse viável a generalização da pesquisa (Dyer & Wilkins, 1991; Yin, 2015) para outros setores em que a criatividade é elemento crucial tanto para a inovação como para a percepção do cliente sobre o seu valor intrínseco como fator de competitividade. Embora seja de interesse da empresa que se preserve sua identificação, é necessário destacar que o caso foi desenvolvido em uma das maiores fabricantes de calçados do Brasil que, quando os dados foram coletados, lançava coleções quinzenais em diferentes linhas.

Os dados foram analisados por análise de conteúdo (Bardin, 1977) a partir de categorias de análise. A partir de um roteiro previamente desenhado, como preconizado por Gaskell (2000), coletou-se os dados que foram confrontados com as categorias (Zhang & Wildemuth, 2005), cuja aplicabilidade tem sido testada em diferentes estudos relacionados à inovação (por exemplo, Hollingsworth, 2000).

Além da análise dos dados da empresa e das entrevistas, desenvolveu-se também observação participante. A observação participante é uma técnica utilizada em pesquisas qualitativas que insere o pesquisador no ambiente da pesquisa para coletar informações sobre o convívio, as simetrias e as assimetrias de comportamento no ambiente, com registros feitos através de caderno de campo ou

outros elementos de registro que permitam capturar informações que não seriam perceptíveis nas entrevistas (Serva & Jaime Júnior, 2012; Spradley, 1980).

A pesquisa foi realizada no departamento de pesquisa e desenvolvimento de produto, de uma empresa calçadista brasileira de grande porte, em 2018. A referida organização foi fundada nos anos 1970 e possui unidades fabris nas adjacências da sua matriz. Produz mais de 300 mil pares de calçados por dia, comercializados no Brasil e em quase uma centena de países, empregando oito mil trabalhadores diretamente. Sua linha de produtos é constituída de um portfólio de cinco marcas, que definem diferentes posicionamentos e públicos de atuação, com coleções renovadas a cada 15 dias.

A marca Alfa é referência nacional de moda em calçados femininos, voltada para a produção e comercialização de produtos de maior valor agregado. A marca Beta é a que possui maior variedade de produtos. Também voltada para o desenvolvimento de calçados femininos, a marca visa atingir mulheres entre 25 e 45 anos, das classes B/C. A terceira marca, Gama, desenvolve os calçados para um público feminino, jovem e adulto. Com mais de uma década de história e com os produtos que são recordes em vendas e faturamento para a empresa, a marca Delta surgiu para atender as meninas do público infantil, desde bebês até a fase mirim. Finalmente, a marca Ômega, também voltada para o universo feminino, tem foco no conforto.

Participaram do estudo sete colaboradores dos quinze que atuam na área de desenvolvimento de produtos. Os entrevistados trabalham nas equipes desenvolvedoras das marcas Alfa, Beta e Gama. A direção da organização indicou os representantes dessas três marcas por se tratar das que representam maior faturamento e volume de vendas. Os integrantes das marcas Delta e Ômega foram excluídos devido as especificidades de seus nichos, infantil e moda conforto, com volume de vendas pouco expressivo, quando comparados às outras marcas, além de estarem sujeitos a demandas distintas relativas ao seu público-alvo.

As entrevistas foram autorizadas pela diretoria, sob a condição de que deveriam ser com colaboradores que estivessem envolvidos diretamente com o produto e que atuassem na criação no seu dia a dia. Dois colaboradores de cada marca foram indicados, sendo um o estilista, líder de equipe, e o outro assistente criativo, no intuito de capturar a percepção de barreiras à criatividade em diferentes posições dentro das equipes.

O estilista é responsável pela coordenação da equipe de criação e responde pelos resultados de sua área junto à direção. O assistente criativo colabora na criação e é responsável pelo desenvolvimento de modelos sob supervisão do estilista, ocupando-se de aspectos técnicos.

Além desses, também um colaborador foi escolhido para realizar a validação do roteiro de entrevistas. No entanto, percebeu-se que as contribuições desse colaborador foram relevantes à pesquisa, motivo pelo qual foi incluído entre os entrevistados, com a aquiescência da direção, dado que não houve mudanças substanciais entre a primeira e a segunda versão do roteiro de coleta. Na Tabela 1, estão relacionados os entrevistados e suas particularidades.

**Tabela 1.** Relação dos entrevistados.

Entr.	Gênero	Cargo	Equipe	Exp. total	Tempo empresa
E-1	M	Estilista	Alfa	25a	4a
E-2	F	Assistente	Alfa	8a	11m
E-3	F	Assistente	Alfa	11a	9a
E-4	F	Estilista	Beta	10a	1a
E-5	F	Assistente	Beta	8a	2a
E-6	F	Estilista	Gama	15a	13a
E-7	F	Assistente	Gama	9a	6a

Fonte: Dados da pesquisa.

Para sondagem do ambiente e para estabelecer a triangulação dos dados, a pesquisa seguiu quatro pilares: i) o levantamento de dados da organização; ii) a observação participante; iii) as entrevistas semiestruturadas individuais; e iv) levantamento de dados setoriais.

Para orientar a entrevista, validou-se o roteiro semiestruturado, à luz do referencial teórico. Através do roteiro, buscou-se, no primeiro momento, entender a visão dos entrevistados quanto aos conceitos de criatividade e inovação. Posteriormente, a investigação foi orientada para as percepções quanto aos estímulos e barreiras à criatividade presentes no ambiente de trabalho.

Aplicou-se as entrevistas num período de quinze dias, para que efeitos externos à realidade da empresa não causassem viés de análise (Rosenzweig, 2007). Durante o mesmo período, um dos autores desta pesquisa esteve presente colhendo impressões sobre as relações interpessoais dos entrevistados, como recomendado por Serva et al. (2012), em pesquisas em administração. As entrevistas foram gravadas para posterior transcrição e análise, no sentido de compor o corpus da pesquisa. No final, gerou-se um quadro analítico aproximando o referencial teórico com os resultados, como recomendado por Gaskell (2000). De posse da transcrição as evidências foram assinaladas para a confrontação, conforme também indicado por Gaskell (2000).

As informações obtidas nas entrevistas, as observações descritas no diário de campo e os dados levantados na organização foram submetidos à técnica de análise de conteúdo, segundo metodologia proposta por Bardin (1977). A partir do corpus em perspectiva, foi possível realizar a análise dos dados, quando procurou-se identificar a percepção dos trabalhadores tanto a respeito dos fatores que servem de estímulo quanto os que funcionam como barreiras à criatividade no ambiente onde atuam, no que se entende ser a percepção dos membros da equipe sobre a criatividade sob pressão em seu ambiente de trabalho.

Para análise dos dados, foi realizada a redução das informações, agrupando os temas relacionados entre si e assim possibilitando posterior análise. As respostas foram mapeadas e relacionadas à base teórica. Segundo Bardin (1977), é fundamental que se estabeleça uma categorização do material a ser coletado. Para a autora, a análise é essencialmente temática e transversal, recortando as percepções dos entrevistados e do observador em torno de cada tema-objeto.

Para esse estudo, foram definidas categorias que procuravam identificar as percepções sobre criatividade, tanto em relação aos seus estímulos como as barreiras existentes para a intensificação do uso da criatividade. As categorias foram identificadas à luz do referencial teórico, com base de Alencar (1995), de Alencar e de Faria (1996), conforme Tabela 2.

**Tabela 2.** Síntese das categorias da pesquisa.

Barreiras	Estímulos	Categorias
Estruturais	- Estrutura organizacional - Suporte da chefia	Estrutura
Sociais e políticas	- Suporte do grupo de trabalho - Liberdade e autonomia	Elementos sociais e políticos
Processuais	- Suporte organizacional - Ambiente físico	Processos
Falta de recursos	- Recursos tecnológicos - Treinamento	Recursos
Individuais / atitudinais	- Participação - Desafios	Características individuais / atitudinais
Ruídos de comunicação	- Comunicação	Acesso à informação
Ausência de estímulos	- Salários e benefícios	Modelos de recompensas
Pressão de tempo	- Tempo e volume de trabalho condizentes	Pressão de tempo e sobrecarga de trabalho

Fonte: Elaborado pelos autores.

A seguir, apresenta-se os resultados da pesquisa, utilizando os procedimentos metodológicos descritos nesta seção, como forma de atender o objetivo da pesquisa, antecedido sobre um panorama da produção mundial e nacional de calçados, que colaboram na triangulação dos dados como instrumento de confiabilidade da pesquisa.

#### 4 Resultados e Análise de dados

Segundo dados da Associação Brasileira da Indústria de Calçados (ABICALÇADOS, 2022), em 2018 a indústria calçadista brasileira empregava 266 mil pessoas, distribuídas em mais de 5 mil empresas. Naquele ano, foram produzidos mais de 22 bilhões de pares de calçados no mundo, sendo que 972 milhões, no Brasil. Do tal produzido no mundo, 845 milhões foram consumidos no Brasil. Em termos de consumidores, estimativas da entidade indicam que da produção brasileira, 41% sejam destinados ao público feminino; 12%, ao masculino; 7%, ao infantil; e 40% sem identificação de público-alvo. Se considerado o tipo de calçados, chinelos representam 45% da produção em pares; casual, 41%; esportivo, 9%; segurança, 4%; e ortopédico, menos de 1%. O caso estudado se enquadra no perfil de consumidoras do gênero feminino e o tipo de calçado é casual. A representatividade do caso na produção brasileira, contribui no perfil do estudo de caso único, pois entre as 5 mil empresas calçadistas do Brasil, isoladamente a empresa emprega três por cento dos trabalhadores diretos e produz quase oito por cento e tudo o que o Brasil fabrica em calçados, ou vinte por cento da produção de calçados femininos.

Nesta seção, analisa-se, por categorias, as informações coletadas por meio de entrevistas, nas observações e nos documentos que ampararam este estudo de caso. Previamente, buscou-se compreender a percepção dos entrevistados sobre criatividade.

No entendimento dos entrevistados, a criatividade está relacionada com a criação de novas ideias e novos métodos. Enquanto E-2 entende que a criatividade pode ser desenvolvida “em qualquer ação do cotidiano”, a E-2 sinaliza que a criatividade é a geração de novas soluções saindo dos padrões e facilitando o dia a dia das pessoas. Para a entrevistada E-3, “a criatividade acontece quando se cria algo novo” e para E-7, “a criatividade acontece quando é possível enxergar com outros olhos o que existe e transformá-lo em algo diferenciado”. Outra entrevistada relatou que a criatividade tem relação com as “experiências de vida de cada pessoa. Quanto maior for sua experiência, maior será o desenvolvimento da criatividade” (E-4). E-1 refletiu, “a criatividade tem relação com o estado de espírito de cada pessoa”. Estes apontamentos corroboram os conceitos explorados por Souza e Bruno-Faria (2013) e por Bezerra e Guimarães (2017), que se referem a geração de ideias, processos, produtos e/ou serviços novos para determinado indivíduo ou grupo dentro de um contexto, contribuindo para a organização ou bem-estar dos indivíduos. O fator ambiente social pode influenciar o comportamento criativo, desde que os integrantes da equipe percebam que suas ideias são avaliadas e acolhidas (Chang & Shih, 2018).

Através das entrevistas e observações, percebeu-se a preocupação recorrente voltada para a adoção de melhorias e busca contínua por mudanças que possam gerar benefícios no processo de produção, com aumentos de produtividade, qualidade e redução de custos. Essas alterações ocorreram na organização pesquisada, especialmente na automatização de etapas da montagem do calçado.

Outra modificação importante, embora de baixa difusão, foi a introdução de processos de corte a laser, que representou um importante incremento de produtividade e economia, com a redução do descarte de matéria-prima, o que permite interpretar a interrelação entre criatividade e disponibilidade de recursos dentro da organização (Amabile, 1996; Soriano de Alencar, 2012). Na sequência, são apresentadas as categorias de análise que representam o desenho da pesquisa.

##### 4.1 Estrutura

A categoria estrutura organizacional remete aos conceitos explorados por Yu e Wang (2022), de Alencar e de Faria (1996), Amabile (1988) e Rocha (2009). Tais autores sugerem que uma estrutura

favorável à criatividade se caracteriza por estruturas com poucos níveis hierárquicos, flexíveis, com menos burocracia e descentralizada. Rocha (2009) destaca que as empresas precisam trabalhar na motivação de seus colaboradores como, por exemplo, para romper com os paradigmas e pensamentos tradicionais, de forma a estimular a criatividade de seus empregados e facultar a operacionalização de ideias criativas, como também destacado por Chang e Shih (2018). Por outro lado, Yu e Wang (2022) sugerem a existência de forças duais em termos de relações hierárquicas em torno da criatividade e o desempenho.

A organização estudada tem características de uma empresa tradicional com departamentos e níveis hierárquicos bem definidos, o que é considerado, à luz dos autores revisados, uma barreira ao processo criativo (de Alencar, 2012). Apesar disso, mesmo possuindo uma estrutura tradicionalmente hierarquizada, com diversos níveis, percebe-se que a gestão permite o livre acesso das pessoas da criação a outros setores e a troca de informações.

#### 4.2 Elementos sociais e políticos

Esta categoria refere-se aos conceitos apresentados de Alencar e de Faria (1996) e Amabile (1998), caracterizados pelo suporte da chefia, suporte do grupo de trabalho e liberdade e autonomia, a partir de Gomes et al. (2016) e Gondim et al. (2015). O fator suporte da chefia se refere à capacidade da liderança de apoiar e prover suporte às novas ideias, aos projetos de inovação e à necessidade de recursos dentro da organização (Liu et al., 2022). Este fator foi citado pelos participantes da pesquisa como um ponto favorável, pois a empresa está aberta a novas ideias e dá suporte a possíveis mudanças que poderiam ser benéficas à instituição.

Através dos mecanismos oferecidos como os programas de aperfeiçoamento, a empresa incentiva o aprimoramento das atividades individuais atuando como estímulo a ideias, além de fomentar o crescimento profissional. Por meio destes programas, os colaboradores podem aprimorar suas ações e resultados, compartilhar informações que visem à obtenção de melhorias na qualidade dos produtos, produtividade, redução de desperdícios e agilidade das operações e processo.

O fator suporte do grupo de trabalho está caracterizado pelo relacionamento interpessoal das pessoas, guiado pela confiança mútua, descontração e alegria. Foi retratado por E-3 e E-4 como um estímulo à criatividade, pois o relacionamento entre os colegas é considerado satisfatório, existindo sempre a vontade de ajudar uns aos outros e a trocar opiniões. E-6 sinaliza, ainda, que a colaboração entre as pessoas é um dos fatores predominantes para o sucesso da empresa, uma vez que “sem a colaboração o produto final não fica pronto no prazo estipulado”.

O fator liberdade e autonomia está relacionado ao grau de liberdade que a empresa dá aos colaboradores em poder tomar decisões e ter senso de responsabilidade sobre os seus trabalhos (de Alencar & de Faria, 1996; Gomes et al., 2016). Dentre os elementos desta categoria, foi possível constatar que, na opinião dos gestores entrevistados, principalmente E-4, este fator é identificado como um estímulo, pois os gestores têm liberdade de tomar decisões e definir os modelos, materiais e cores que estarão em cada coleção.

Contudo, na opinião dos assistentes de criação, esse fator foi citado como uma barreira, pois o nível de autonomia e liberdade que lhes é concedido é baixo. A maioria das decisões recai sobre o estilista e isso atrapalha a expressão da criatividade. Essa percepção é identificada através do relato de uma das entrevistadas:

(...) precisamos de mais liberdade para fazer pesquisas de rua, poder viajar, sair de dentro de uma sala fechada e buscar alguma fonte que te faça criar mais. Eu acho que poderia ter um espaço na empresa para pensar, que seja mais tranquilo. (...) olhar para fora e buscar alguma inspiração que vá agregar na execução da tua tarefa (E-3).

Essas percepções podem ser relacionadas ao que Amabile (1996) ilustra com gerentes que podem influenciar os três componentes da expressão da criatividade, a expertise/conhecimento, raciocínio criativo e motivação. Nesse sentido, os gerentes podem implementar mudanças sutis para estimular a motivação das pessoas contribuindo para obtenção de resultados mais rápidos e imediatos.

Portanto, percebe-se a relevância de se conceder um nível considerável de autonomia para definir os meios para atingir o objetivo, tanto para que um profissional possa se dedicar a sua carreira como para que os líderes da empresa possam fazer a gestão de talentos, como defendem Popescu (2022), Gomes et al. (2016) e Gondim et al. (2015).

#### 4.3 Processos

A categoria processos refere-se aos conceitos explicados de Alencar (1995), Rocha (2009) e Amabile (1996) sobre suporte organizacional que remetem ao reconhecimento do trabalho criativo, uma cultura voltada para inovação, mecanismos para o desenvolvimento de novas ideias, bem como o planejamento e a definição de metas de trabalho.

Nessa categoria, foi possível perceber que a empresa estudada tem profundo conhecimento do seu negócio, com processos e metas de trabalhos bem desenhados, buscando sempre o sucesso nas suas atividades. Também possui como mecanismo para incentivar novas ideias, os programas internos de aperfeiçoamento e desenvolvimento de novidades e sugestões de melhorias. Porém, conforme percebido na fala de alguns assistentes criativos, os incentivos e apoio às novas ideias são limitados em alguns momentos do processo criativo

#### 4.4 Recursos

Essa categoria trata do acesso a recursos, em termos de sua suficiência, atualização e adequação às necessidades dos trabalhadores para o desenvolvimento de ideias originais. Os recursos, mencionados por Amabile (1997) e de Alencar e de Faria (1996), devem ser apropriados ao ambiente físico, à tecnologia disponível e ao treinamento. Na empresa estudada, esses fatores são interpretados como um estímulo à criatividade e em alinhamento com esta percepção a organização disponibiliza ambientes de trabalho adequados e seguros para que todos desempenhem suas atividades.

Conforme observado, o ambiente físico remete a um espaço ergonomicamente confortável, podendo-se observar que há preocupação com a segurança, saúde e bem-estar de seus colaboradores. No que se refere aos investimentos em bens de capital, conforme relatado por E-6, nos últimos cinco anos a empresa aumentou o orçamento para a modernização produtiva e do maquinário, aquisição de novas tecnologias, a expansão das instalações atuais.

Sobre os recursos tecnológicos, a empresa busca constantemente introduzir novas tecnologias para a automatização e ganhos em produtividade e economia em produtos, processos e serviços. No entanto, dois entrevistados ressaltaram que os recursos tecnológicos são poucos explorados na área de criação, o que consideram um aspecto negativo, já que na atual função dos assistentes criativos, a atualização com novos recursos e tecnologias pode propiciar a redução do lead time, o que é de grande importância.

O fator treinamento, caracterizado pela capacitação dos colaboradores e investimento em desenvolvimento das suas habilidades, também é considerado pelos entrevistados como um estímulo à criatividade, visto que a empresa investe na construção coletiva do conhecimento por meio de programas internos. Tais programas têm o objetivo de estimular o desenvolvimento dos colaboradores, a capacitação e conhecimento em novas áreas. No entanto, foi evidenciado descontentamento por parte de E-3, devido à falta de tempo para fazer os cursos e a necessidade de estudar fora do horário de expediente, alinhado ao que defendem de Alencar e de Faria (1996), sobre a relevância do treinamento como instrumento de alavancar a criatividade no meio organizacional.

#### 4.5 Características individuais e atitudinais

A categoria características individuais e atitudinais alude os fatores relacionados à participação e desafios mencionados por De Alencar e De Faria (1996). O fator participação está caracterizado pela valorização da iniciativa, em prol na concepção de possíveis soluções de problemas da organização.



O fator desafios está associado a diferentes graus de dificuldade que podem estimular o indivíduo a ousar na proposição de soluções e ideias, no ambiente organizacional, bem como ao posicionamento individual em face da interpretação de determinados obstáculos para a realização de tarefas. Nem sempre a percepção do que a organização entende por ideia criativa corresponde à criatividade percebida pelo colaborador em si próprio (Ek-Styvén et al., 2022).

Dar devida importância aos desafios superados foi citado pelos entrevistados como um estímulo à criatividade, pois a empresa constantemente desafia os colaboradores da área de criação a desenvolverem produtos diferenciados com custos pré-estabelecidos dentro das faixas de preço. Esta constatação encontra respaldo teórico em Amabile (1997), que preconiza que para estimular a motivação intrínseca os gerentes devem oferecer desafios combinando conhecimento (expertise) e raciocínio criativo.

#### 4.6 Acesso à informação

Essa categoria se refere aos conceitos explorados De Alencar e De Faria (1996) como a comunicação entre colaboradores, setores e ambiente externo. Constatou-se que este fator é caracterizado pelo fácil e rápido acesso às informações internas e externas. No entanto, E-3 acredita que ocorrem problemas com a comunicação vertical, porque “as informações demoram para ser repassadas da chefia aos colaboradores; em alguns casos, são até mesmo omitidas”.

Nesse sentido, apesar de haver problemas na comunicação vertical, o acesso à informação é considerado, em certos momentos, como um estímulo à criatividade, em outros momentos como uma barreira. Através das entrevistas e observações, constatou-se a preocupação dos entrevistados em relação a obtenção de êxito em todos os processos envolvidos, desde a criação de um produto até a entrega para o consumidor final e que consideram a informação como fator fundamental para que todos os setores desempenhem bem suas funções, como defendido por Costa (2006) em relação à aplicabilidade da informação no desenvolvimento de ideias.

#### 4.7 Modelos de recompensa

Esta categoria busca evidências da percepção sobre os salários e benefícios adequados e satisfatórios às ideias inovadoras, preconizados por de Alencar e de Faria (1996). No departamento estudado, essa categoria é identificada como um estímulo, pois a estrutura organizacional possibilita promoções e oportunidades de crescimento para os colaboradores que apresentam bom desempenho criativo e se mostrem interessados em alcançar os objetivos estabelecidos pela empresa. Para Gao et al. (2021) a criatividade da organização só é evidenciada quando a criatividade do indivíduo encontra espaço de validação.

Evidenciaram-se, ainda, benefícios como a participação nos lucros, ônibus exclusivo aos trabalhadores, alimentação e auxílio a quem está cursando o ensino superior. No entanto, uma entrevistada mencionou sentir a falta de um convênio médico e odontológico que integrasse o modelo de recompensas ofertado pela empresa, assinalando as diferentes percepções sobre o mesmo fator, no que Costa (2006) destaca como um dos fatores extrínsecos que determinam motivações intrínsecas no indivíduo.

#### 4.8 Pressão de tempo e sobrecarga de trabalho

De acordo com o Modelo Componencial de Criatividade, a pressão de tempo influencia negativamente a expressão da criatividade e pode prejudicar o pensamento criativo (Amabile, 1997). A sobrecarga de trabalho, decorrente da falta de pessoas e de diversos recursos materiais, excesso de tarefas por pessoa e pouco tempo para realizá-las também influencia negativamente a criatividade (Amabile, 1998). Além disto, tais fatores podem causar desmotivação, estresse e prejudicar a qualidade de vida.

Por outro lado, pesquisas indicam que a pressão de tempo pode também afetar positivamente a criatividade, dada a necessidade de gerar resultados dentro do ritmo produtivo da organização. Bruno-

Faria et al (2013) chamaram a atenção para a sintonia entre a necessidade de inovar a partir de ajustes no aprimoramento de um produto e o aperfeiçoamento de ideias, e a revisão de processos.

Diante de tais fatores, evidenciaram-se várias situações ao longo das observações em que os colaboradores se sentiram pressionados por prazos e contínuo volume de trabalho, dificultando o processo criativo. Também foi mencionado por E-4 que, devido aos lançamentos quinzenais, a área de criação tem pouco tempo para criar, pensar e desenvolver novas ideias de forma criativa.

## 5 Discussão dos Resultados

Com relação ao entendimento dos entrevistados quanto ao conceito de inovação, constatou-se que eles associam o conceito a alguma novidade ou a melhoria de algo já existente sejam em processos, tecnologia, custos, conforto ou necessidade de mercado. Essas respostas estão alinhadas com as bases conceituais expressas no Manual de Oslo (OECD/Eurostat, 2018) que definem a inovação como a implementação de um produto, processo, bem, serviço ou métodos organizacionais, significativamente melhores ou novos.

O grau de impacto que as inovações provocaram na organização está alinhado com os preceitos teóricos formulados por Carvalho (2009) e Rocha (2009), devido ao fato de que a empresa estudada adota em seu modelo de negócio as práticas da inovação incremental. É possível compreender que ela promove e estimula continuamente pequenas melhorias, aperfeiçoamentos e simplificação em seus produtos, processos e serviços. Representam, geralmente, pequenos avanços nos benefícios percebidos pelo consumidor e não modificam o modelo de negócio, associados à percepção necessária de renovação de moda, intrínseca à produção *fast fashion* (Bhardwaj & Fairhurst, 2010).

Foi possível perceber que um modelo de gestão com características formais, burocrática e centralizada, promovidas pela estrutura rígida, potencialmente pode trazer percepções diferentes sobre a criatividade na organização, como um todo, ora como fator de diferenciação de produto (Im et al., 2013), ora como fator de dificuldade para manter a disciplina e a produtividade (Cummings, 1965). O caso estudado sinaliza que fatores sociais aliam barreiras individuais e atitudinais em sua interação social, em que os indivíduos expõem sua aversão a correr riscos relacionados à intolerância, ao dogmatismo, e a inflexibilidade de seus pares, conforme observado por Gondim et al. (2015) e Muzzio (2017), evidenciando a constante tensão existente na conversão da criatividade do indivíduo em criatividade organizacional apregoada por Gao et al. (2021). O caso, a partir dessa percepção dos entrevistados, possibilita abrir espaço para a discussão de o quanto a organização é capaz de conciliar recursos tecnológicos com a criatividade organizacional. A conexão entre recursos potencializa o desenvolvimento de capacidades organizacionais e, por fim, competências observadas pelo meio em que ela compete (de Vasconcellos et al., 2019).

Esta tensão potencialmente, torna-se barreira à criatividade. Conforme relato dos participantes, em certos momentos, os colaboradores são incentivados a dar novas ideias e propor melhorias nos produtos, processos e métodos. Porém, em outros momentos esse convite e estímulo, bem como o reconhecimento pelas ideias fornecidas, não acontece. Tal evidência denota o que já foi observado por Rocha (2009) e Gondim et al. (2015), quanto à necessidade de as empresas desenvolverem competências para flexibilizar suas estruturas para propiciar o desenvolvimento de soluções que possibilite a emergência da criatividade.

Finalmente, há evidências de que administrar o tempo é uma barreira significativa à criatividade pela ótica de quem está na operação, enquanto os gestores entendem a pressão de tempo como fator para gerar ideias criativas, dentro dos limites de valores estipulados para cada marca. Assim, é possível entender que o efeito do tempo sobre a criatividade está associado ao nível hierárquico dos indivíduos responsáveis pela criação. Essa diferente percepção sobre a pressão de tempo encontra ressonância na literatura, pois é percebida pelos pesquisadores ora como barreira (Amabile, 1988, 1996) ora como necessário para gerar criatividade, em ambientes em que o tempo para lançar produtos é crucial para a competitividade, como na produção *fast fashion* (Bhardwaj & Fairhurst, 2010).

## 6 Considerações finais

A escolha de uma indústria tradicional, como é o caso da indústria calçadista, permitiu que se estabelecessem diretrizes, evidenciadas por meio dos estímulos e das barreiras à criatividade, em um setor caracterizado por grande competitividade, complexidade e pelo desafio constante de estar sempre inovando e se diferenciando, pressionado pela necessidade de lançar produtos com rapidez e com restrições de faixas de preço, típicos da produção fast-fashion.

Observou-se as percepções em dois diferentes níveis hierárquicos em times de desenvolvimento de produtos. Foi possível perceber, em algumas das categorias de análise, percepções conflitantes entre estilistas e assistentes criativos. O fator liberdade e autonomia foi apontado pelos gestores como um estímulo à criatividade. No entanto, na visão dos assistentes esse fator constitui uma barreira, visto que a maioria das decisões recai sobre o gestor e isso atrapalha a expressão da criatividade.

No decorrer da pesquisa, também foram evidenciados alguns fatores mencionados pelos entrevistados como estímulos à criatividade com maior frequência: a estrutura organizacional; o suporte da chefia; o suporte organizacional; o suporte do grupo de trabalho e o ambiente físico. Já entre os fatores que mais mencionados como barreiras à criatividade destacam-se: os fortes níveis de pressão de tempo; a sobrecarga de trabalho não condizentes; e o limite de trabalhar com um custo do produto pré-definido.

### 6.1 Contribuições teóricas

Como contribuição teórica, este estudo aponta que aspectos da percepção das pessoas envolvidas no processo de criação dentro de um ambiente hierarquizado, numa indústria madura, que enfrenta o desafio de inovar constantemente para enfrentar a concorrência globalizada *fast fashion* apresenta pressões distintas que formam barreiras que a organização tem dificuldade de enfrentar. Por exemplo, o tempo necessário para criar.

Este estudo contribui também para a discussão sobre a percepção dos trabalhadores sobre como ser criativo em ambientes sob pressão da produção padronizada, dado que este tema tem sido fruto de pesquisa em outros setores, como turismo e hotelaria (Ek Styvén et al., 2022). Além disso, o estudo reforça a compreensão de como a criatividade individual é capaz de se transformar em capacidade organizacional, como foco nas barreiras que as organizações constroem em seu clima de trabalho, estendendo trabalhos recentes que tangencialmente tratam do tema (Gao et al., 2021; Liu et al., 2022; Santangelo & Phene, 2022).

### 6.2 Implicações para a gestão

Em termos de implicações para a prática, foi possível constatar, que o fator custo pré-definido do produto como barreira à criatividade percebida como mais relevante. A pressão de trabalhar com limite de faixas de preço foi apontada pelos entrevistados como barreira à criatividade e um limitador na hora de criar ideias. Também foi identificado como barreira, a estrutura física, pois trabalhar em nichos é um desafio adicional ao profissional de criação.

À luz do caso, sugere-se que gestores que atuam em empresas de fast-fashion procurem criar ambientes propícios à criatividade, que proporcionem condições que minimizem pressões relacionadas ao negócio como o todo para as equipes que trabalham com criação de produtos em larga escala.

Um fator a ser enfrentado pelos gestores é a necessidades que os profissionais criativos têm se conectarem a outros ambientes, saírem à rua e viajar para nutrir novas ideias. Est implicação se alinha com o desenvolvimento de um ambiente favorável ao desenvolvimento do pensamento divergente, como preconizado por Acar e Runco (2019).

### 6.3 Limitações da pesquisa

Ao longo da pesquisa, os autores se depararam com algumas limitações no que se refere à metodologia adotada. Primeiramente, por se tratar de um estudo de caso em uma empresa específica, dificilmente pode ser replicado devido às características de contexto. Segunda, foi examinado apenas

um departamento da empresa, o que também pode dificultar a generalização dos resultados. Terceiro, a pesquisa não tem como avaliar o efeito do avanço tecnológico na pressão exercida sobre a criatividade, dado que, como relatado por alguns entrevistados, algumas tarefas vêm sendo automatizadas na produção, com implicações sobre o desenvolvimento de produto.

#### 6.4 Agenda de pesquisa futuras

Para fins de pesquisas futuras, recomenda-se conduzir entrevistas ao longo do tempo para perceber como as questões relacionadas à motivação vão sendo alteradas na medida em que a organização toma medidas de alinhamento de objetivos. Ressalta-se a importância de pesquisar a criatividade diante de limitações impostas por faixas de preços, podendo melhorar o entendimento das barreiras e dos incentivos à criatividade.

O efeito do avanço tecnológico sobre a criatividade pode também ser um elemento a ser pesquisado, dado que setores intensivos em mão de obra passaram a ser expoentes de transformação digital. A tensão entre criatividade e avanço tecnológico esteve presente nas falas de alguns entrevistados o que pode despertar o interesse de novas pesquisas.

Espera-se que estudos em diferentes níveis de análise, diferentes indústrias e com abordagens quantitativas podem contribuir para elucidar o que leva empresas de um mesmo setor a apresentar distintos níveis de criatividade, que terminam por representar vantagem competitiva distinta perante o olhar do cliente final.

#### 6.5 Conclusão

Finalmente, como conclusão final da pesquisa e na perspectiva da Visão Baseada em Recursos, este estudo teve como objetivo identificar como, em condições de pressão, a criatividade é percebida pelos integrantes de equipes de desenvolvimento de produtos na produção orientada para *fast fashion*. A pesquisa confirmou as nuances complexas da percepção da criatividade entre as pessoas envolvidas no desenvolvimento de produtos diante da pressão de produzir em alta escala, produtos padronizados e de moda, característicos da produção fast-fashion e ofereceu contribuições teóricas sobre a interface da produção em grande escala, burocracia e criatividade, além de indicar recomendações aos gestores que vivem no seu dia a dia a pressão de criar em ritmo de produção.

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## **DOES THE NONMARKET ENVIRONMENT INFLUENCE PROCUREMENT STRATEGY IN AGRICULTURAL SUPPLY CHAINS?**

### **Daniel Franco Goulart**

Doutor em Administração

Escola de Administração de Empresas de São Paulo da Fundação Getúlio Vargas (FGV/EAESP)

E-mail: [daniel.goulart@fgv.br](mailto:daniel.goulart@fgv.br)

### **Gilberto Perez**

Doutor em Administração

Universidade Presbiteriana Mackenzie - UPM

E-mail: [gilberto.perez@mackenzie.br](mailto:gilberto.perez@mackenzie.br)

### **Paolo Edoardo Coti-Zelati**

Doutor em Administração

Faculdades de Campinas - FACAMP

E-mail: [paolo.coti-zelati@facamp.com.br](mailto:paolo.coti-zelati@facamp.com.br)

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## Abstract

We explore in this research the nonmarket environment's influence on procurement strategy. Given the industry's meaningful regulatory framework, the Brazilian biodiesel supply chain was chosen as an empirical analysis object for that discussion. Through the lens of the nonmarket strategy theoretical framework, this paper discusses how the Brazilian biodiesel firms shape their raw-material procurement strategy under the influence of the Social Fuel Stamp regulation. The data collection was based on interviews with the market and nonmarket practitioners and participant observation. Biodiesel firms must shape their procurement strategy to purchase raw household farming materials to fulfill the Social Fuel Stamp requirements. High costs and challenges are noticed from this need. The study concludes that the Brazilian biodiesel supply chain constitutes empirical evidence of the nonmarket strategy theoretical framework relevance. Therefore, senior managers should consider this topic from a strategy conception standpoint. Quantitatively exploring the role of the nonmarket environment over the procurement strategy can be the subject of future research.

**Keywords:** Nonmarket Environment. Nonmarket strategy. Strategy. Supply chain. Biodiesel.

## 1. Introduction

Supply chain management is an inter-organizational approach that encompasses all the activities necessary to produce and deliver a product to fulfill an end customer's requirement (Mentzer et al., 2001; Drake, 2012). Managing a supply chain means coordinating several traditional business functions such as procurement, forecasting, transportation, production, and inventory management to meet end customers' needs (Prater & Whitehead, 2013). Understanding those needs is key to establishing the proper supply chain strategy.

Procurement, also known as supplier relationship management to the latest literature (Lambert & Enz, 2017), concerns the relationship buyers establish with their supplier network (Lambert & Cooper, 2000). Among the several theoretical lenses through which procurement might be assessed, one of the most common and relevant is the make-or-buy decision (Grover & Malhotra, 2003; Walker & Weber, 1984, 1987). In this case, the level of governance control will relate to the behavioral and transactional characteristics of the buyer-supplier relationship (Williamson, 2008).

While the internal characteristics of the transactions are vital in shaping business, particularly procurement strategy, it also is the industry structure surrounding the firms in a supply chain (Porter, 1980, 1991). The combination of Porter's Competitive Advantage and Williamson's Transaction Cost Theory supported some seminal papers published by Brazilian scholars on the dynamics of the agricultural supply chains (Farina, 1999; Zylbersztajn, & Farina, 1999). Several pieces of research have been published following the theoretical frameworks proposed by these two important papers.

The biodiesel supply chain is a critical segment of the Brazilian agricultural industry that received significant attention from scholars in the last ten years. This supply chain has been formally set up to be environmentally friendly, socially fair, and economically feasible (Bueno, Esperancini, & Takitane, 2009; Castro, 2011). One of the most relevant aspects of this supply chain concerns the controlling mechanism available to the public power that allows them to manage the supply chain towards the social development targets. This mechanism is named Social Fuel Stamp (César & Batalha, 2010, 2011; Mourad & Zylbersztajn, 2012).

Although several studies approach the Social Fuel Stamp from different perspectives, most of them in an exploratory and descriptive way (Kohlhepp, 2010; Kuss, Kuss, Rosa, Aranda & Cruz, 2015; Osaki & Batalha, 2011; Santos, Borschiver & Souza, 2014; Talamini, Oliveira, Gohr, Santos, & Dewes, 2012), it lacks research discussing how this regulatory framework shapes the biodiesel producer's business strategy, precisely the procurement strategy of the firm. Therefore, this paper discusses how the biodiesel producer's procurement strategy is influenced by the Social Fuel Stamp, a relevant nonmarket environment aspect in the biodiesel supply chain.

The proposed discussion focuses on the theoretical framework of the nonmarket strategy and nonmarket environment (Baron, 1995a, 1995b, 1997). In contrast, it sheds light on the importance of the nonmarket environment characteristics in shaping business strategy, therefore, going beyond classic Porter's approach (1980, 1991). It seems especially applicable to highly controlled industries such as the Brazilian biodiesel supply chain. In addition to this introduction, this piece brings a literature review on the nonmarket environment and nonmarket strategy, followed by methodology, results, and concluding remarks.

## **2. Theoretical Framework**

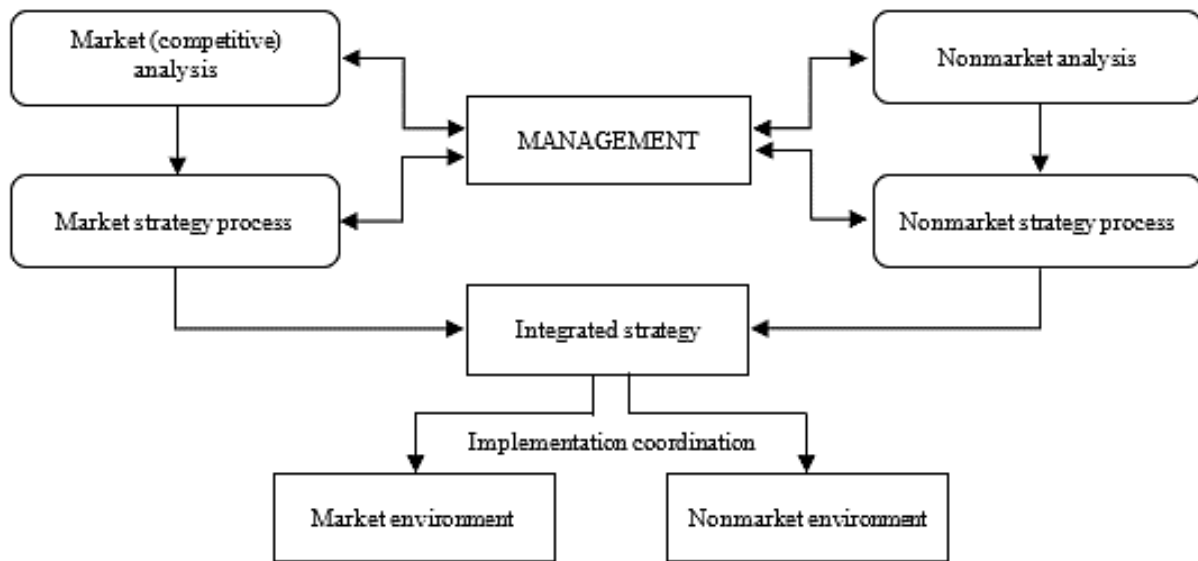
**T**he subject strategy is a traditional topic in scholarly journals. One of the main theoretical streams considers that strategy relies on the internal resources and competencies of the firm (Barney, 1986, 1991, 1995, 2001). Other scholars, however, argue that strategy must focus not only on the internal resources but also on the aspects of the competitive environment in which the organization is inserted (Porter, 1980, 1991). In common between these two perspectives is the purpose of the firm's strategy: to reach competitive advantage and, therefore, to reach superior performance (Barney, 1986, 1991, 1995, 2001; Porter, 1980, 1991).

Porter (1980, 1991) argues that there are five forces shaping industry competition patterns: the threat of new entrants, the risk of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and rivalry among competitors. Despite being primarily accepted in management, this concept overlooks the relevance of nonmarket aspects to the firm's strategy. Rindova and Fombrun (1999) widen Porter (1980, 1991) concept, arguing that the competitive arena is formed by the organizational field and the firm's environment. According to the authors these dimensions are divided into four domains: markets, resources, microculture, and macroculture. The domain of microculture of Rindova and Fombrun's (1999) is the expansion of Porter's model (1980, 1991).

Akbar and Kisilowski (2023) address a theoretical gap in the literature by highlighting the significance of non-bargaining nonmarket strategies of firms. The authors proposed a theoretical model that hypothesizes a reliance on non-bargaining nonmarket strategies in situations relevant to a firm-conditioned weakness of societal forces pertinent to a firm (including the firm itself) and when relevant state institutions display high degrees of professional, structural, and ideological bureaucratic inflexibility.

Baron (1995a, 1995b) evolves in the discussions on the relevance of nonmarket environment aspects to the formulation and implementation of business strategy, arguing that both market and nonmarket environment are equally crucial to a firm's strategy and, therefore, to obtain a competitive advantage. Baron (1995a, 1995b) argues that business strategy will be integrated if it encompasses both market and nonmarket aspects. Figure 1 illustrates Baron's approach (1995a, 1995b).

**Figure 1.** Integrated strategy: analysis through implementation.



Source: Baron (1995a).

The concept of nonmarket strategy pops up from the relevance of the nonmarket environment for the performance of individual firms in specific markets (Bach & Allen, 2010; Baron, 1995a, 1995b, 1997). Nonmarket strategies generally are directed at public policies that affect the structure and functioning of markets and, thus, the competitive advantage sources (Baron, 2001).

Another aspect of Nonmarket strategy is that it involves actions that organizations implement to address political, social, and legal factors that impact their operations beyond the traditional market (Riaz et al., 2022). The achievement of sustainable competitive advantage relies on the capacity of the firm to deal with social, political, and environmental aspects more than manage competitive-environment-related aspects (Bach & Allen, 2010; Baron & Diermeier, 2007; Hillman & Hitt, 1999.).

Baron (1995a, 1995b) argues that the nonmarket environment may be defined by four “I’s”: Issues, Institutions, Interests, and Information. The first “I” (Issues) relates to conditions or events within the nonmarket environment. One example of Issue in Baron’s perspective (1995a, 1995b) might be, for example, the issuance of a new public regulation that benefits a competitor. Institutions, the second “I”, establish Issues (Baron, 1995a, 1995b). Groups influence Institutions to act in a certain sense. The third “I” argued by Baron (1995a, 1995b) concerns to Interests of certain groups. The groups of Interest act over the Institutions looking to address certain Issues based on Information, the fourth “I”. The Information regards the each-other knowledge the parties have.

To better understand the concept of non-market strategies, it is important to recognize the existence of a certain alignment between two distinct facets of non-market strategies. Firstly, we consider the nature of the actors involved. Secondly, we analyze the ties that connect these actors to the company. These two facets of non-market strategies have been extensively studied by Gatignon, Gama and DeMello (2023).

The researchers sought to establish associations between attempts to exert influence, either directly or indirectly, on regulatory processes. It was found that non-market strategies associated with direct cooptation and control are more related to legal capture, while strategies that aim to exert indirect influence, for example, through constituent building tactics, are more aligned with legal compliance.

The fundamental concept of non-market strategy is associated with a combined pattern of actions that companies adopt to manage their institutional and social environments for economic gains.

Recent research on non-market strategies has acknowledged the complementarity between its two distinct forms: corporate political activity and corporate social responsibility (Adomako et al., 2023).

The central hypothesis put forth by these authors is that non-market strategies will lead to improved company performance. However, the authors also caution that empirical studies examining the performance outcomes of non-market strategies have yielded mixed results. For instance, some studies, like that of Liedong et al. (2017), have found that corporate political activity in emerging markets is positively associated with outcomes such as reduced institutional risk and appropriate market reactions amidst weak and inefficient institutions.

The analysis done by Blake Markus & Martinez-Suarez (2022) shows how companies can calibrate two non-market strategies – political ties and corporate social responsibility (CSR) – to mitigate risks related to populism. The authors specify how particular configurations of political ties and corporate social responsibility activities, targeting populist leadership, bureaucrats, political opposition, and societal stakeholders, minimize risk under populism.

The relevance of nonmarket strategy for the performance of the firm and, therefore, in shaping business strategy is connected to the degree of control that the State has on the market opportunities (Baron, 1995a; Bonardi, 2008). The more the market opportunities are in the hands of the State, the more relevant is the nonmarket strategy to firm performance (Baron, 1995a; Bonardi, 2008).

On the other hand, non-market or non-market strategies also received attention, conceptually defined as management strategies for actors and contexts that permeate economic activity, such as relationships with governments, civil society entities, communities, among others (Partyka et al., 2019).

However, according to Liedong, Aghanya & Rajwani (2020), investigate emerging scenarios from another look, which understands the local institutional environment as the result of adjustments and configurations created, purposely or not, for the market to develop in other molds (Bothello, Nason & Schnyder, 2019). Moreover, it is necessary to formulate about the role of organizational non-market strategies in these contexts, their antecedent factors, and their content, in the form of system constraints and conditioned by it (Ahen & Amankwah-Amoah, 2018).

The Social Fuel Stamp is an “Issue” of interest that has been explored in the literature. This regulation can be defined as a set of norms or rules that stimulates biodiesel production firms to include household farmers in their raw material supply chains (Bueno et al., 2009; Mourad & Zylbersztajn, 2012). It materializes the government efforts to make the biodiesel industry meet the social development targets (Castro, 2011). Although the Social Fuel Stamp is not mandatory, it works as a tacit passport for the biodiesel producers to regularly sell, while the firms that do not hold it are allowed to participate in only 20% of the market (Paiva, 2009; Silva, 2013).

### 3. Methodological Procedure

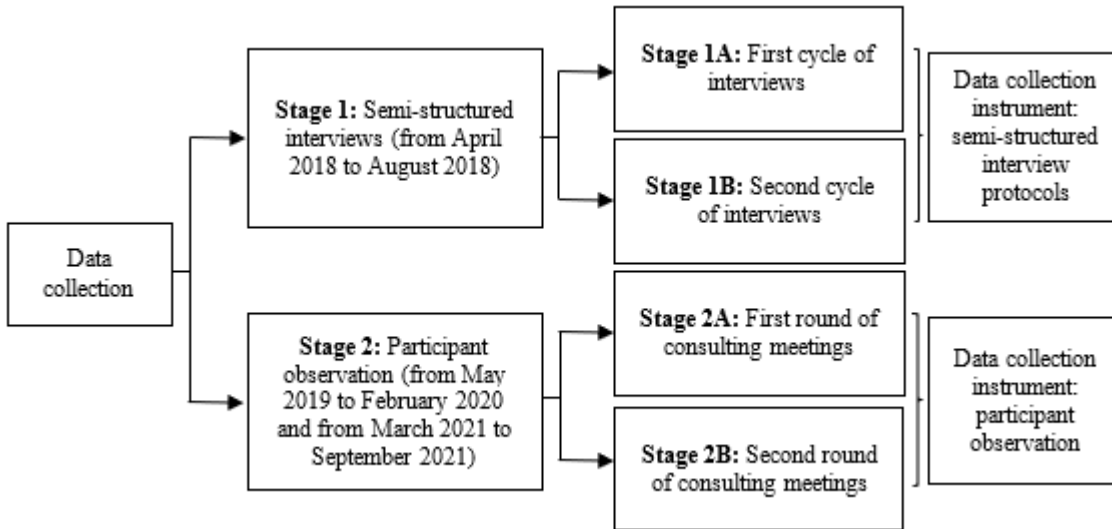
The procedures for data collection adopted in this research were divided into two stages. The first stage (Stage 1) occurred between April 2018 and August 2018 and consisted of semi-structured interviews with key agents of the Brazilian biodiesel supply chain. The second stage (Stage 2) occurred from May 2019 and February 2020 and from March 2021 to September 2021 and comprised a series of consulting meetings from which data was systematically collected through participant observation.

In the first stage, 14 interviews with 11 professionals were made in two cycles (Stage 1A and 1B), following the procedures envisioned by the Grounded Theory research technique (Charmaz, 2014; Corbin & Strauss, 2015; Strauss & Corbin, 2008). In Stage 1A, eight interviewees were conducted, and in Stage 1B, six professionals were made. To confirm data and concepts in the process of saturation, three interviewees were interviewed in both cycles, as per recommended by Charmaz (2014), Corbin & Strauss (2015), and Strauss & Corbin (2008).

Like Stage 1, Stage 2 is divided into two stages (Stages 2A and 2B). Stage 2A, from May 2019 to February 2020, encompassed two in-person consulting meetings with the senior management team

of a Brazilian palm crusher investigating the feasibility of investing in a biodiesel production facility. Stage 2B, from March 2021 to September 2021, comprised four online consulting meetings with the senior management team of a Brazilian soybean crusher studying the feasibility of investing in a biodiesel production facility. In both stages, the meetings also counted on a group of consultants that led the discussions. Figure 2 shows the data collection procedures systematization.

**Figure 2.** Data collection systematization.



Source: the authors.

The interviews during the Stage 1 took place in the cities of Brasília, Campinas, Curitiba, São Carlos, and São Paulo. All the interviewees allowed the interviews to be recorded. As a result of that, it was possible to transcribe the speeches and make a deeper content analysis using software Atlas.ti® v8. The Table 1 shows the characterization of each interviewee as well as the cycle of interviews each of them have participated.

**Table 1.** Description of the interviewees.

Interviewee	Stage	Professional background	Entity	Management level
E1	1A	Head of Business	Biodiesel producer	Strategic level
E2	1A and 1B	Procurement Coordinator	Biodiesel producer	Tactical level
E3	1A	Logistics and Procurement Analyst	Biodiesel producer	Operational level
E4	1A	Procurement Coordinator	Biodiesel producer	Tactical level
E5	1A	Head of Public Policy, Social Fuel Stamp	Regulatory agency	Strategic level
E6	1A and 1B	Senior Economist	Biodiesel producers association	Strategic level
E7	1A and 1B	Senior Economist	Biodiesel producers association	Strategic level
E8	1A	Head of Public Policy, biodiesel commercialization	Regulatory agency	Strategic level
E9	1B	Chief Editor, specialized press	Press	Strategic level
E10	1B	Senior Professor, agricultural supply chains	P&D	Strategic level

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E11	1B	Congressman, head of biodiesel parliamentary coalition	Federal legislative power	Strategic level
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**Source:** the authors.

In Stage 1, we conducted the interviews using four semi-structured interview protocols. The first protocol (Type I) was used in interviews with professional experts in biodiesel enterprises. The second protocol (Type II) was used in interviews with professional experience in nonmarket environment institutions. The third protocol (Type III) was prepared after assessing the interviews in Stage 1A.

It has been applied to professionals with experience in biodiesel enterprises and professionals working in nonmarket environment institutions. The fourth protocol was exclusively prepared to be used with the congressman. Table 2 summarizes the use of each protocol according to the cycle of interviews and the type of interviewee in Stage 1.

The participant observation occurred in Stage 2A and occurred in two in-person meetings in Belém. Those meetings aimed to brainstorm the significant risks, opportunities, threats, and strengths that a palm crusher could capture by investing in a biodiesel production facility. The participant observation in Stage 2B took place in four online consulting meetings. Likewise, in Stage 2A, in Stage 2B, the meetings aimed to brainstorm the risks, opportunities, threats, and strengths of an investment in a biodiesel production facility, but, in this case, associated with a soybean crushing plant. Table 3 brings details on the meetings encompassed by Stage 2.

**Table 2.** Application of the semi-structured protocols.

Cycle of saturation	Interview	Agent	Questionnaire
First	1	Head of Business	Type I
	2	Procurement Coordinator	
	3	Logistics and Procurement Analyst	
	4	Procurement Coordinator	
	5	Head of Public Policy, Social Fuel Stamp	Type II
	6	Senior Economist	
	7	Senior Economist	
	8	Head of Public Policy, biodiesel commercialization	
Second	9	Procurement Coordinator	Type III
	10	Chief Editor, specialized press	
	11	Senior Professor, agricultural supply chains	
	12	Senior Economist	
	13	Senior Economist	
	14	Congressman, head of biodiesel parliamentary coalition	

**Source:** the authors.

**Table 3.** Consulting meetings subject of the participant observation.

Stage	Date	Place of the meeting	Participants
2A	06.24.2019	Firm's head office, Belém, PA, Brazil	CEO, CFO, Head of Procurement, Senior Consultants 1, 2 and 3.
	08.29.2019	Firm's head office, Belém, PA, Brazil	

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2B	05.07.2021	Videoconference	Procurement Coordinator, Business Intelligence Manager, Senior Consultants 1, 2 and 3.
	05.21.2021	Videoconference	
	08.09.2021	Videoconference	Procurement Coordinator, Business Intelligence Manager, CEO, CFO and Senior Consultants 1, 2 and 3.
	08.12.2021	Videoconference	

Source: the authors.

The data analysis has been made parallelly with data collection. The data analysis at this point supported the development of the interview protocol types III and IV. As soon as Stage 1B finished, the new interviews were transcribed, and new data analysis began. The data collected during Stage 2 was valuable to confirm and better understand the relevance of the procurement strategy and the role of the Social Fuel Stamp in establishing this strategy. At this stage, despite not being recorded, the main points addressed in the interviews were recorded for further analysis.

**4. Presentation and Analysis of Results**

The Social Fuel Stamp regulation makes the business liaison between two categories that would not be the most probable business partners in a free market condition: the biodiesel producing firms and the household farmers. As an industrial operation within a commodity supply chain, the biodiesel producer firm would establish its procurement strategy on market relation, seeking reliable suppliers offering products at price market. The need to have the Social Fuel Stamp as a passport to have free access to the market tie those two unfamiliar categories.

The Social Fuel Stamp regulation understands that the bargaining power in the buyer-supplier relationship between biodiesel producers and household farmers is on the former’s side. Therefore, the regulatory framework envisages two mechanisms to make this relation less unbalanced, attempting to promote a fairer inclusion of the household farmers. These two regulatory tools are presented in Table 4.

**Table 4.** Requirements to be fulfilled by the biodiesel firm to get the Social Fuel Stamp.

	Premises	Description
4	Raw-material procurement contract must be signed prior to the beginning of seedling.	Having the contract signed prior to seedling brings to the household farmer the guarantee that the production will be purchased. Ideally, the contract must clearly state the price to be paid by the biodiesel producer to the household farmer, but it is acceptable to have a pricing formula with clear and public parameters.
2	Biodiesel producer must make available free technical assistance to the household farmer.	The objective is to guarantee to the household farmer that all the required informational and technical input will be provided by the expenses of the buyer aiming at higher yields.

Source: the authors.

The ultimate objective of the public policy behind the Social Fuel Stamp regulation is to promote rural development among the poorer regions of Brazil, having the household farmers as a vector to that end. However, the efforts and costs towards the raw material origination from household farmers in the Northeastern region's semiarid area or the Northern region of Brazil are quite different from doing the same from Southern household farmers. From a public policy standpoint, although the Social Fuel Stamp successfully included household farmers in the biodiesel supply chain, this has not been made uniformly, as stated by the Interviewee 11:



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So, the issue of Social Fuel Stamp, whose we were talking about, did not work for the original objective, which was the inclusion of the household farmer of the Brazilian Northeastern region. Did not work in my point of view [...] If it did not work for that end, so what? It exists just to favor the Brazil's Southern household farmers. They do not need that. They are very well.

The arguments presented by Interviewee 11 lie in the fact that the Social Fuel Stamp program is heavily based on the procurement of soybeans from Southern region farmers. While biodiesel producers need to meet Social Fuel Stamp requirements, they look for that by originating raw material from the regions where the supply chains are better structured and where the suppliers are familiar with the commodity trading mechanisms. These characteristics are found in the Southern soybean supply chain. Interviewee 2 explains the reasons why it is easier to establish a Social Fuel Stamp program in the Southern region of Brazil:

[...] a large percentage of the Social Fuel Stamp program is being made in the Brazil's South as this is a structured region in which the commodity [trading] is of firm's knowledge; the supply chain as well as the trading mechanisms are quite well fashioned; and there was already a strong culture based on agricultural cooperatives.

The cooperatives in the Southern soybean supply chains are an essential asset in making the biodiesel producers' life easier in structuring their Social Fuel Stamp programs. The cooperatives are traditional institutions in their regions and play a vital role in supporting farmers in all stages, from procuring agricultural inputs to trading. In practical terms, the cooperatives work as a facilitator for the biodiesel firm as they manage all the activities that would be tough to do alone.

For a biodiesel producer installed in Brazil's Southern region, this model is reasonable. However, most of the biodiesel producers in Brazil seek Southern household farmer soybeans to fulfill Social Fuel Stamp needs. Therefore, a biodiesel producer located, for example, in Mato Grosso, might require Southern household farmer soybean to meet its Social Fuel Stamp needs.

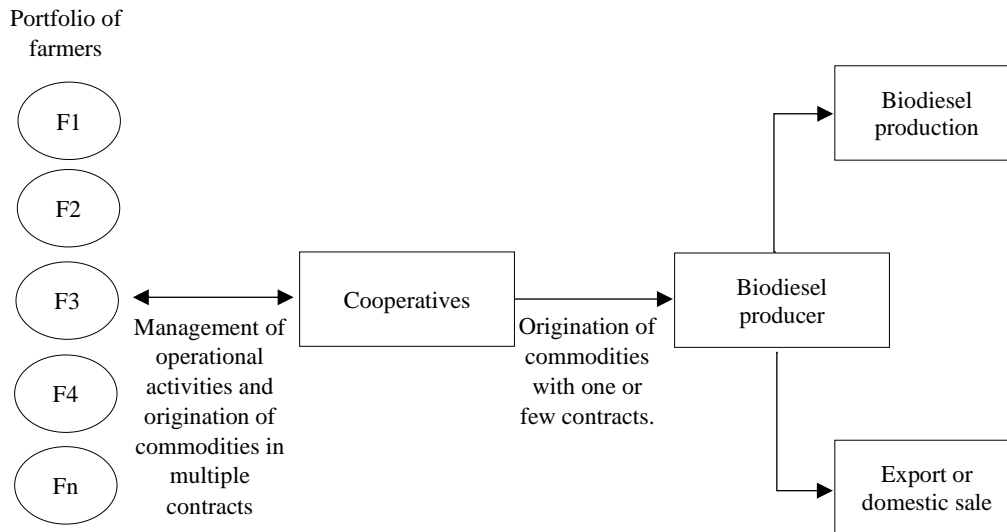
As it is economically unfeasible to ship beans from the South to the Midwest, biodiesel producers buy these grains in Southern Brazil and sell them locally or export them via local ports. After that, they show the government through paperwork that the quantity of household farm raw material has been procured elsewhere and sold in specific markets. On this matter, Interviewee 4 states:

[...] but, if you are in the Midwest and you are obliged to buy [household farmer soybean] and you have found a solution in the South [...], that quantity of soybean bought from South will not go to Mato Grosso to be crushed; it will be exported or resold.

Considering the role of the cooperatives in the Southern soybean supply chain for Social Fuel Stamp and the product's destination according to the biodiesel producer's location, the soybean from Southern Brazil's household farmers can perform the flows described in Figure 3.

The evidence that the biodiesel producer needs to fulfill the Social Fuel Stamp, and for that purpose, it is required origination of household farmers' soybeans shows that the nonmarket environment influences the drawing and implementation of procurement strategy in this industry. This influence is especially relevant for firms not based in the South of Brazil. In these cases, to make the procurement strategy feasible, they eventually need to enter a new business to flow the grains purchased in the Southern region.

Figure 3. Southern Brazil soybean supply chain.



Source: the authors.

In addition to the procurement model rooted in the Southern soybean supply chain, some biodiesel firms try to develop oilseeds supply chains from scratch. These initiatives are generally based in poorly structured regions or supply chains. The literature that discusses Brazilian biodiesel issues is vast in describing such initiatives and assessing their impacts in terms of local and rural development (Conejero et al., 2017; Kuss et al., 2015; Leão et al., 2011). Those projects have their economics based on the incentives the Social Fuel Stamp regulation offered to such initiatives. Although the existence of these incentives, they are not enough to support the investments in the structuration of an oilseeds supply chain, as we stated by Interviewee 4:

So, you go to Midwest, North and Northeast, they are poor regions. Even with the incentives coming from the Social Fuel Stamp regulation based on multipliers, this is not enough because those regions require longstanding presence and investments. You must develop a supply chain [from scratch] in these regions to fulfill your needs.

The capacity to originate household family oilseeds to fulfill Social Fuel Stamp requirements is crucial for firms assessing investment in the biodiesel industry. As the Social Fuel Stamp is the passport to access the market, it was remarked that the two firms that have been assessed an investment in biodiesel production took the assessment of their capacity of originating this type of raw material very seriously. Ultimately, none of the two firms decided to move forward with the investment. Among the aspects, they cited a lack of clarity about their capacity to comply with the Social Fuel stamp program.

As envisaged by Baron (1995a, 1995b); Rindova & Fombrun (1999), "Institutions" face each other in the nonmarket arena to influence the "Issues". In other words, firms and other groups of interest try to bargain in the nonmarket strategy with policymakers' regulations and legislations that fit better their specific interests. In the biodiesel industry, it is no different. The different unions and class associations are in permanent contact with policymakers trying to drive the regulations on their behalf or against their rivals' interests. In this respect, Interviewee 9 argues:

Each [firm] has a bit different style in acting in the nonmarket environment, but, in practical terms, all the groups of interest act through their class associations, dealing with the congressmen and congresswomen and with the executive power.

The most active groups of interest in the biodiesel supply chain's nonmarket arena are the institutions that represent the household farmers, the ones that assist the biodiesel producers, and the ones that represent agricultural cooperatives, mainly those from the South. Those associations represent the interests of the parties concerned with the Social Fuel Stamp rules. On the strategies that some associations deploy, Interviewee 4 states:

We see that, some associations, they do not try to benefit the supply chain [as a whole], but one region. So, one association "x", it seeks for better rules to its associates, with no counterparty to the rest of the country. Unfortunately, some people in the associations have strong political influence [...] There is no reason to discuss technical aspects with technical arguments when someone with a strong political support changes something in the rules.

Therefore, it seems vital that the biodiesel producers have not only capabilities to deal with the market issues. It seems fundamental that they hold relevant capabilities to act in the nonmarket environment. These capabilities will ultimately support consistent positions that may lead to changes in the regulations that bring competitive advantage for those that succeed in the strategy or competitive disadvantage for those that have been negatively hit by a change in the rules.

## **5 Concluding Remarks**

This study aimed to discuss how the nonmarket environment rules shape procurement strategy. The Brazilian biodiesel supply chain highlights this relation as the Social Fuel Stamp regulation is an "Issue" (Baron, 1995a, 1995b) that biodiesel producers need to address to compete in this market. The Social Fuel Stamp relies on the biodiesel firm's strategy of raw-material procurement. The results presented in this study have been based on qualitative research based on questionnaires and participant observation data collection procedures.

Grounded on the collected data, it is possible to deduce that the nonmarket environment is vital in shaping procurement strategy in the Brazilian biodiesel supply chain. The evidence shows that, in the context of the Social Fuel Stamp absence, the biodiesel producers would focus on raw-material sourcing by deploying market governance (Williamson, 2008), targeting large purchases at market price levels. To comply with Social Fuel Stamp rules, biodiesel producers need to be flexible, shaping their procurement strategy towards either the Southern soybean supply chain or the structuration of oilseeds supply chains in the Northeast, North, and Midwest regions. Considering the Social Fuel Stamp regulation and its influence on procurement strategy, some potential entrants declined to invest in this sector.

The nonmarket arena in the biodiesel industry is an essential field of bargaining. As Social Fuel Stamp rules are regularly reviewed, the distinct groups of interest usually deploy nonmarket strategies to influence the direction of the rules to be defined by the policymakers. Minor changes, for example, in the multipliers, can make it easier or cheaper for household farming raw-material procurement in a particular region over others. The procurement strategy of the firms is susceptible to such types of changes. This type of competition is not explained by Porter (1980, 1991) but is clarified by Baron (1995a, 1995b) and other more recent papers (Kranenburg & Voinea, 2017; Zheng, Ang & Singh, 2022).

The understanding that the nonmarket environment is relevant for the biodiesel supply chain in Brazil generates some managerial implications. The most important one is that biodiesel producers must strengthen their nonmarket capabilities. By doing so, the firms become able to function as opinion-makers in the nonmarket environment, reaching more friendly regulations. Ultimately, firms may capture a competitive advantage from these efforts. Another important managerial implication relies on the technical capabilities that the firms should develop or hire to deal with the procurement strategy of household farmers. Establishing good procurement strategies means understanding the Social Fuel Stamp rules to reach the objective of conquering and maintaining the certificate at the lowest cost possible.

This research's main limitation concerns its epistemological perspective founded on a qualitative approach. Despite its relevance in profoundly exploring the empirical object and the theoretical framework of nonmarket strategy, bringing important insights into its functioning, this research's results are not subject to generalizations. The suggestion for future research on the nonmarket environment and its impact on procurement strategy is to develop a quantitative study capable of measuring to which extent the nonmarket environment influences the procurement strategy.

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**DOES THE NONMARKET ENVIRONMENT INFLUENCE PROCUREMENT  
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## **GOVERNANCE AND SUSTAINABILITY IN BRAZILIAN ELECTRICITY COMPANIES**

**Isaac Gezer Silva de Oliveira**

Doutor em Administração  
Instituto Federal do Espírito Santo – IFES/ES  
E-mail: isaac@ifes.edu.br

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## Abstract

The current economic context calls for socio-environmental responsibility and corporate governance policies to align the interests among the different social participants in great corporations. Therefore, and based on the hypothesis that the creation of corporate value is positively associated with good governance and entrepreneurial sustainability practices, this study seeks to analyze the relationship between performance and governance and social responsibility considering the Agency Theory and the Stakeholders Theory. The investigation was carried out in companies listed in the São Paulo Stock Exchange for the electric energy which consists of a sector of high environmental and social impact. For the data analysis linear regression models with panel data by Random Effects and by Generalized Systemic Moments method (GMM-Sys) were used. The results of the investigation suggest that companies with adequate governance and social responsibility practices have a higher market value. It can be concluded that said practices, besides meeting ethical, legal and society precepts, contribute to the creation of corporate value.

**Keywords:** Corporate governance. Social responsibility. Energy.

## 1. Introduction

In recent years, one of the most discussed matters in the academic and international environments has been the importance of adequate sustainability and corporate governance by companies. This field of investigation arises from the growing movement for sustainable development and the demand for the meeting of the needs of several users of the company.

With this perspective in mind, it can be observed that great corporations have revenues that are higher than the gross domestic product of many countries, hence said companies provide a strong impact in the realities in which they are embedded and because of globalization have influence in the entire world.

It is well known that the companies of the electric energy sector are relevant for the development of the economy considering that they are responsible for the creation of value for different sectors of the economy which in turn require energy to develop their production processes (Gomes et al, 2006).

Besides their economic importance, the electric energy sector has a broad visibility due to it being a public utility sector and being immersed in a context of regulation to guarantee transparency, legality and uniformity in the services provided. Furthermore, being it in an area of intensive consumption of natural resources and territorial interference, the energy sector has a high environmental impact.

For Ferreira (2010), after several decades with their competitive advantages outstanding the environmental imbalances, comes the demand for the maintenance of the environment by means of new production processes, energetic efficiency and other instruments that favor the economic, social, and sustainable balance.

From a social responsibility standpoint, it is necessary to initially not only consider the economic objective of the companies, but also their social objectives. Hence, Carrol (1979) stresses that the performance of a company must consider the returns that perfect the results of all the stakeholders involved and not only the results of the owners or shareholders.

Freeman (2000) highlights that the stakeholder's theory states that the actions of the company must be planned and directed towards the different groups that are involved both directly and indirectly in the business since its maintenance and long-term success depend on said interactions with the interested parties.

In this sense it is worth noting that the management of corporations is carried out, mainly, by Market professional and not by the owners themselves and that as the organizations grow, there is an increase in the complexity that arises from the gap between property and control (Fama, 1980).

Said separation between property and control consists therefore of an intrinsic characteristic of modern organizations and has been studied for the last 100 years, being it the basis for the understanding of corporate governance. For Fama and Jensen (1983) said separation alters the structure of companies, generating conflicts of interest among shareholders (heads) and the company executives (agents). This conflict, called “agency problem” arises because each of the parties can seek their own personal interests.

In this context, the adoption of good corporate governance practices is fundamental to harmonize the relationship between head and agency, reducing in this way the agency problem (Conyon; Leech, 1994). Such mechanisms include corporate governance which seeks to guarantee long term sustainability thus creating value for the company and its different users and reducing the asymmetry of information and promoting organizational and social visibility.

Therefore, the dimensions of corporate governance and entrepreneurial sustainability should orient the modern company, providing the means to reach their economic, social, and environmental. The companies of the electric energy sector participate in a market that demands, to an even higher extent, the integration of these three objectives.

Thus, the goal of this Project is to analyze the relationship between corporate value and the governance and social responsibility practices under the scope of the Agency Theory and the Stakeholder’s Theory.

To this end, in addition to this introductory section, there is a theoretical platform which surveys the abovementioned theories and the practices of sustainability and governance in companies of the Brazilian electric sector. Subsequently are presented the materials and methods used in the investigation explaining the limits and analysis techniques used.

The following section presents the results of the investigation and a brief discussion of the evidence. Finally, the conclusion highlights the contribution of the investigation and the suggestions for future investigations that explore the methodological limitations in the scope of this project.

## 2. Theoretical Framework

**F**or Blair (1995), corporate governance is a group of legal and cultural norms and institutional arrangements that determine the actions, the control and monitoring of listed companies. This group of practices therefore determines what the listed companies can do, how their control is exercised and how their risks and returns are allocated.

Shareholders of listed companies hold the shares of a determined company and not the Corporation per se. The control of said companies is in the head of their presidents and executives, who, with the discretion they hold in the decision-making process, may, on occasion, act in terms of their own interests (Densetz, 1967). In indeed said divergence of interests can directly impact the financial and strategic decisions of corporations, resulting in the absence of maximization of the wealth of shareholders (Byrd; Parrino; Pritsh, 1998).

Hart (1995) stresses that corporate governance acts as a group of practices that presses to relieve the capital costs of the company. Therefore, it is necessary to reduce the problems of information asymmetry between the head and the agent with the establishment of a contractual relationship.

Hence, corporate governance provides a system of mechanisms to harmonize the relationship between the head and the agent and thus reduce the agency costs in a separation of control and property (Silveira, 2015). This dynamic has the purpose of boosting the decision-making process of managers to maximize the wealth of shareholders. Indeed, corporate governance can be seen as a system for reducing the divergences in the agent-head relationship.

As a result of the importance of corporate governance is the search for even better practices from market incentives with respect to the increase of competitiveness to institutional and governmental initiatives (Silveira, 2004). In 2001, law 10.303 which establishes a reform in the law of corporations with the purpose of giving higher protection to minority interests was instituted in the Brazilian capital Market. The BNDS has included, as preferential requirements for the granting of loans, the adoption

of good governance practices, the CVM has emitted recommendations for good practices of corporate governance and important agents of the capital Market have edited codes of governance that serve as guidelines that link good governance practices recommended by the Instituto Brasileiro de Governança Corporativa.

An important advent in the improvement of governance practices in Brazil was the creation of the New Market and of the differentiated levels of corporate governance by the Bovespa in 2001 (Carvalho, 2002; Silva, 2006). The levels of corporate governance were created to highlight companies committed with the best governance practices. Therefore, companies can adhere to three different levels created by Bovespa: levels 1 and 2 and New Market.

According to Silveira (2015) companies listed in level 1 commit to higher transparency in the information to the Market and with stock dispersion. The companies in level 2 include all the obligations of level 1 and an additional spectrum of governance practices and additional rights for the minority interests. The New Market, in turn, establishes a highly differentiated pattern of corporate governance and requires that the companies meet the precepts of level 2 and that they only issue ordinary shares in detriment of preferential shares in addition to other governance practices that are required by the legal apparatus.

Silveira (2004) also stresses that an efficient system of governance must combine different internal and external mechanisms with the purpose of ensuring that decisions are made in the best interest of the shareholders in the long term. The internal mechanisms, such as the administration council, the stock concentration and the compensation system can be developed by the companies themselves. Nonetheless, the external mechanisms are governance practices of agents external to the Corporation such as legal protection to shareholders, control of the company in the market and executive work market (Jensen and Murphy, 1990; Silveira, 2004).

In this manner, the incentives of markets added to the legal, governmental, and institutional measures, can contribute to the strengthening of the good corporate governance practices and consequently of the Brazilian capital market providing a greater level of protection to investors who will, in this way, feel sure that they will earn greater returns and therefore be willing to pay higher prices for the shares. Indeed, companies would increase the use of the capital market for capitalization and financing of their business. Silveira (2015) classifies said relationships as the virtuous circle proposed for the corporate governance in Brazil.

## 2.2. Social Responsibility and Sustainability in Business

The population growth, the effects of globalization, the economic, social, and environmental effects among regions and even the depletion of natural resources and of the capacity of the biosphere to absorb residue and pollutants gave rise to greater interest in the analysis of environmental matters by the society (Moura, 2000). In face of the greater access to information and knowledge, people and societies put pressure on companies in search of greater socio-environmental responsibility since they have a strong impact on social and environmental demands.

Sustainable development, according to Brundtland et al (1991) is the meeting of present needs without compromising the needs of future generations. In this context, Harrington, and Knight (2001) ascertain that corporations must consider the economic, social, and environmental impact of their activities. The managerial practices of environmental demands are understood as corporate socio-environmental responsibility.

Therefore, it is stressed that companies do not only have the economic objective, but also the responsibility with the society to meet its social and environmental demands, thus committing to the different participants involved, either from the legal standpoint or from that of ethics and morale. It is known that from an economic point of view, companies are created with the purpose of providing financial gains to those who created it and took the risks inherent to the business. Hence, it is salutary to observe that every company functions as an open system promoting relationships with several participants in their internal and external environments (Friedman, 1970). In this way, the

organization must consider an effective management of all the relationships with the different participants and not only the relationship with the owners.

The performance of a company must take into consideration the returns that perfect the results of all the stakeholders involved and not only the results of the owners or shareholders (Carrol, 1979; Freeman, 1984). Thus, the perspective of clients, suppliers, employees, government, and community of other participants in the business of the company must be considered.

To that extent, the stakeholder's theory advocates that the actions of the company must be planned and directed towards the meeting of the expectations of the different groups involved directly and indirectly in the entrepreneurial business since the maintenance and long-term success depend on those interactions with the interested parties. (Freeman and Mcvea, 2000). Furthermore, companies with high socio-environmental development have good relationships with their different stakeholders, thus decreasing the risk and increasing the level of financial performance.

With respect to the companies of the Brazilian electric sector, the government, the regulating agent, and the shareholders/investors are the main external stakeholders in socio-environmental aspects since these can affect the equity of the company (Braga et al 2009).

These interested parties exercise pressure over the organizations and as they reach a more critical position with respect to the socio-economic impacts, they reach a greater level of awareness and of effective performance along with the companies (Abreu, Castro, and Lazaro, 2013). This way of working consists of pressuring organizations to disclose more information voluntarily; this pressure can be exercised by means of laws and regulatory mechanisms.

In face of this importance and the increase in the concern for the environment and sustainable development, managers and investors have paid more attention to actions of sustainability and corporate social responsibility, including in this way the environmental variable in the company's practices and strategies. This perspective led financial markets to search for indexes that enable reflections on the performance of the companies in their efforts pertaining entrepreneurial sustainability (Melo et al, 2012).

Therefore, following the trend of the world's main stock markets, in 2005 the BM & Bovespa launched the Index of Entrepreneurial Sustainability with the intention of reflecting the return of a portfolio which in its composition has the shares of companies that are committed with entrepreneurial sustainability. In this way the Index has the objective of being the promoter of good practices in the Brazilian corporate midst (BOVESPA, 2014).

For the composition of the index, 150 of the most liquid shares for the 12 months before the assessment were considered; the fact of having been negotiated in at least 50% of the trading floors of the last 12 months and the meeting of the criteria of sustainability of the Index of Entrepreneurial Sustainability. For that purpose, performance assessment comprehensive questionnaires including four requirements: economic efficiency, environmental balance, social justice, and corporate governance are sent out. The filling out of the questionnaire is voluntary and its analysis is carried out with a multivariate statistical technique.

The ISE therefore consists of an index that measures the average return of a theoretical portfolio composed by shares of companies listed in the São Paulo stock market (Brasil, Bolsa and Balcão, B3) and that outstand for their strategic alignment with sustainability by adopting practices that contribute to sustainable development.

It is to be highlighted that the B3 Entrepreneurial Sustainability Index was developed based on the "Triple Bottom Line" concept, which consists of the assessment of environmental, social, and economic-financial aspect in an integrated manner. Moreover, indicators of corporate governance as well as nature and characteristics of the product are also adopted.

### 2.3 Governance and Sustainability in the Brazilian Electric Sector (SEB)

The companies of the Brazilian Electric Sector (SEB), starting in the 90's and based on the globalization of the markets, underwent uncountable transformations, ending in the privatization of

the sector and the creation of the Agência Nacional de Energia Elétrica (ANEEL) – Electrical Energy National Agency – to act as the regulating and supervising body (Ganim, 2003).

With the privatizations, the companies were driven to act in a more homogeneous manner, including within the area of social responsibility. According to Azevedo and Cruz (2008) from the assumption of an interaction among the companies that are part of the sector and the local community where these companies operate, comes a trend in the search for standing out with respect to Corporate Social Responsibility in hopes to reach legitimacy with the society.

From the viewpoint of public utilities, the companies of the SEB by taking advantage of the natural resources to develop their activities, become part of the social and environmental fields. In the same way, by executing their services they alter the environmental, social, economic, cultural, and technological perspectives of the locations in which they perform. For Mourise, Ribeiro and Penteadó (2012) a company constitutes its social responsibility by becoming aware of the actions and impacts that result from their activities.

Azevedo and Cruz (2008) alert that society has made companies more accountable to identify the companies that generate losses or do not increase value to the quality of life of the community in which they are located. Therefore, a greater transparency in the relationships between companies and the different interested parties, along with the disclosure of information, that will enable a better assessment of the performance of the activities of the organization in the society become indispensable (Pinho et al., 2007).

The companies of the Brazilian Electric Sector have, since 2002 prepared the Annual Report on Socio-environmental Responsibility following the constant orientations of the Accounting Manual of the Electric Sector instituted by ANEEL Resolution nº 444 of October 26, 2001, and later updates.

Thereafter, in 2004 ANEEL invested in a process of analysis of said report to improve it. In 2006 the Triple Bottom Line concept, which proposes an approach that includes environmental, social, and economic issues became mandatory in the preparation of the report. With this perspective, starting on 2015, all the companies of the electric sector except for self-producers and independent producers became mandated to prepare and publish the Annual Report on Socio-environmental Responsibility (ANEEL, 2015).

Therefore, the different initiatives of the regulating body took into consideration that given the fact that they render a public service by means of a concession, the conception of socio-environmental responsibility must be even broader, keeping in mind that the rendering of the service focuses on a public interest in order to guarantee “ the conditions of regularity, continuity, efficiency, security, currency, generality, courtesy and moderateness of fares” (BRAZIL, Law nº 8.987, 1995, art. 6). Thus, the obligatoriness of the disclosure for their companies will contribute to the dissemination of the information to the different interested parties (Moresui, Ribeiro and Penteadó, 2012).

According to Oliveira et al (2004), today’s companies, independently from their fields of action and size, only survive by applying fundamentals of ethics, transparency and social responsibility in their policies and practices which enables them the achievement of economic success in the long term based on the relationships with their stakeholders. Likewise, for Kraemer (2010), the Corporations that are not in line with the concept of sustainable development are destined to lose competitiveness in the short term.

Furthermore, Ribeiro (2006) highlights that the Socio-environmental Responsibility of companies must be focused on the elimination and/or reduction of the negative effects of the production processes and the preservation of natural resources, their role must go beyond the compliance with the legal requirements, it must aim at the present and future social well-being in addition to making their undertakings in this matter public and transparent.

#### 2.4 Previous Studies

The number of studies that address the influence of sustainability and governance in organizational performance is growing. However, the analysis of these constructs is approached in a segregated manner.

On the perspective of entrepreneurial sustainability, Robinson, Kleffner and Bertels (2011) evidenced that the corporations included in the Dow Jones Sustainability Index (Dow Jones Sustainability Index - DJSI) achieved an increase in the value of their shares even with all the costs inherent to the entrepreneurial sustainability actions and inclusion in the index. On the same issue, Johnson (2011) found that the companies based on sustainability precepts tend to have better results in what respects the lower risk and the greater performance.

In Brazil, Orellano and Quiota (2011) who studied variables extracted from the social balances of 44 companies between the years 2001 and 2007 and evidenced a positive relationship between social investment and performance measured by ROA and ROE, however, did not find evidence for the Tobin Q.

In the scope of corporate governance, Sonza and Kloeckner (2014) analyzed the influence of corporate governance in the efficiency of Brazilian companies who hold American Depositary Receipts (ADR), the authors concluded that the Brazilian capital market is incipient with low effectiveness administration councils, with roles of shareholders, of councils and of directorates not well defined in Family companies and that there is indication of conflicts of interest relativized by explicit and implicit incentives.

Thus, other projects in Brazil also analyzed the effects of internal mechanisms such as executive compensation and administration council in performance and the creation of corporate value. In this sense, Silva, and Chien (2013) analyzed the influence of executive compensation on the performance of Brazilian companies found a positive relationship between compensation and corporate value, yet they did not find significant evidence between compensation and financial performance. Furthermore, Alves and Krauter (2014) analyzed the contribution of executive compensation to organizational performance in companies of the Brazilian industrial sector and concluded that there is no relation between compensation and financial performance.

While investigating the construct of the administration council and the sensitivity of its composition with corporate value, Andrade et al (2009) found that the composition of the council has more influence on the value than on the performance of companies. The work of Gondrige, Clemente and Espejo (2009), demonstrated that the size of the council had a positive and significant relationship with the value of the company.

About sustainability and economic performance, Augustini et al. [2015] evaluated the impact of the economic scale in the environmental dimension of companies in the Corporate Sustainability Index (CSI) of BM&FBovespa, identifying companies that require greater attention from stakeholders. Silva et al. (2015) conducted a comparative analysis of indicators profitability among a group of participants in the CSI companies and a reference group, to check if the sustainable management generates business profitability and how they create value for shareholders. The authors found no significant differences between groups but concluded that the CSI group has other ways of creating shareholder value such as lower volatility or lower risk exposure.

For the case of the specific sector of electrical energy, no studies that dealt with the dimensions of sustainability and governance and their possible empirical relations with the value of the companies were found.

### **3. Methodological Procedure**

**F**or this study, the quantitative approach based on the conceptual contributions structured for the formation of the hypotheses was used. According to Popper (2013), in this type of approach the gathering of data used numeric information which is modeled with the support of multivariate statistics evidencing or not the occurrence of the consequences lined out, which allows accepting or rejecting the hypotheses even if provisionally. For Richardson (2008) the use of the

quantitative approach is normally applied in descriptive studies that seek to identify and classify the relationship among variables.

On the epistemological side, the investigation sought an empirical-analytical focus in which operationalized variables are used as dependent and independent to determine functions and based on the treatment given to the data established relationships among the variables (Martins, 2002). Moreover, the study seeks to explain the practice observed based on past data to understand the phenomena that occurred more deeply and foresee phenomena not observed (Watts; Zimmerman, 1986). To sum up, this investigation is to be assumed as quantitative with descriptive purposes and an empirical-analytical approach.

### 3.2 Delimitation of the Investigation and Sample

The delimitation of the investigation consists of companies listed in the B3 a of the electrical energy sector. The selection of the sector arises from: a- it is a high environmental impact sector (Roberts, 1992); b- in Brazil, until the 90's the sector was almost exclusively controlled by the government and after the privatization it demanded greater investment in the capital market to finance its activities because of high costs. Thus, there is a greater demand for transparency and reliable information for investors and other stakeholders (Leme, 2010); and c- the sector has companies with all the levels of governance of the BM&Fbovespa, which is an essential condition to work the proposed object of investigation.

The years selected for the investigation were 2011, 2012 and 2013. The data was gathered by means of the Economática software, the BM&Fbovespa portal and reference forms available through CVM. The data management was carried out by means of the Stata 12 software.

The size of the population includes 66 companies. In face of the difficulty to find the data, the following was chosen as selection criterion: the companies that are listed among the 100 with greater liquidity in the BM&Fbovespa. The choice of the companies to make up the sample by means of the liquidity criterion was made given the assumption that companies with low liquidity have less probability of having adequate prices with respect to their real market value (Silveira, Barros and Famá 2003). The liquidity indicator in the stock market is measured based in the following formula (Terra and Lima, 2006):

$$LQ_{it} = \sqrt{\frac{v_{it}}{V_t} \times \frac{n_{it}}{N_t} \times \frac{S_{it}}{S_t}} \times 100}$$

Where,  $LQ_{it}$  is the liquidity indicator of the share  $i$  for the period  $t$ ;  $S_{it}$  is the number of trades during the period  $t$  in which at least 1 activity with share  $i$  was evidenced;  $S_t$  is the total number of trades occurring in period  $t$ ;  $n_{it}$  is the number of activities with share  $i$  in the period  $t$ ;  $N_t$  is the number of activities registered in the B3 during period  $t$ ;  $v_{it}$  is the financial volume generated by the activities with share  $i$  in the period  $t$  and  $V_t$  is the total financial volume registered for period  $t$ .

The cut adopted to make up the sample was a minimum liquidity of 0,001 (for each year). Moreover, only one type of share was gathered per company, the type which evidenced the highest liquidity during the period. After the application of this criterion and of the process of elimination of the outliers and absent data, the sample had 48 observations (shares/year) of 16 companies of the electric energy sector listed in the B3.

### 3.3 Statement of Hypotheses

Based on the Agency Theory, in which the company must develop mechanisms to provide the alignment of interests among the head, the agent and in theory the stakeholders, where the company must meet not only the interests of the shareholders, but also those of all parties involved and that

there is a positive relationship between the social and environmental performance and the financial performance, the following investigation hypotheses were tested:

Hypothesis 01: There is a positive relationship between the good corporate governance practices and the creation of corporate market value of the Brazilian electric energy companies.

Hypothesis 1a: The size of the council and its degree of independence are positively related with the corporate value of the companies being analyzed (Silveira, 2003; Andrade et al, 2009; Gondrige, Clemente E Espejo, 2009).

Hypothesis 1b: The presence of the highest levels of governance of the BM&Fbovespa is positively related with the corporate value of the companies being analyzed [SILVEIRA, 2003; Gondrige, Clemente and Espejo, 2009; Camargos; Barbosa, 2010].

Hypothesis 1c: The share concentration is negatively related with the corporate value of the companies being analyzed [Shleifer; Vishny, 1997; Conyon; He, 2011; Pinto, Leal, Silva, and Chien, 2013; Oliveira, 2014].

Hypothesis 1d: The total executive compensation is positively related with the corporate value of the companies being analyzed [Bootsma, 2010; Alves and Krauter, 2014; Oliveira, 2014].

Hypothesis 1e: The use of stock options as a long-term incentives plan is positively related with the corporate value of the companies being analyzed [Jensen and Murphy, 1990; Dias, 2010; Oliveira, 2014].

Hypothesis 02: There is a positive relationship between the good sustainability practices and the creation of corporate market value of the Brazilian electric energy companies.

Hypothesis 2a: The presence of the company in the B3 Sustainability Index is positively related with the corporate value of the companies being analyzed [Robinson, Kleffner and Bertels, 2011; Orellano; Quiota, 2011].

### 3.4 Operationalization of the variables

To test the abovementioned hypotheses some proxies, based on the contribution of theory and available data were selected. The variables consist of distinguishable properties in an object of study, and which are subject to measurement by means of the values they take. The variables can be dependent or independent in nature; the independent ones are causes that determine the occurrence of an effect, while the dependent ones are the effects resulting from the independent variables.

For the dependent variable, or response variable, the Tobin Q, which measures the market value of a company, was selected; it has been broadly used in investigations within the field of Corporate Governance (Rossoni and Machado-Da-Silva, 2010; Silva and Chien, 2013; Oliveira, 2014). The Chung e Pruitt (1994) approximate formula was used, and it can be represented in the following manner:

$$Q = (VMA + D) / AT$$

Where, VMA is the market value obtained based on the number of shares of the company multiplied by the price negotiated in the Stock Market. AT consists of the total assets and D is determined by:

$$D = VCPC - VCAC + VCE + VCDLP$$

Where: VCPC = Book value of the company's current liabilities; VCAC = Book value of the company's current assets; VCE = Book value of the inventory; VCDLP = Book value of the long-term debts.



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Now, for the independent variables the governance and sustainability constructs were identified. Corporate governance was identified as the mechanisms concerning the administration council, the incentives system, and the level of governance in accordance with the BM&Fbovespa. With respect to sustainability, the presence of the BM&Fbovespa Sustainability Index was identified. The concentration of property measured based on the percentage of property of the three largest shareholders, the share control (public or private) and the size of the company measured from their total assets were also observed. Table 01 presents the variables used in the investigation and their corresponding manners of measurement.

Dependent Variable*		#	Manner of Measurement		
Tobim Q (QT)		QT	Market value of the share over the equity value of the share		
Independent Variable		Initials	Manner of Measurement	Expected Signal	Hypothesis
Governance	Size of the Council	TC	<i>Dummy Variable:</i> 1 if the company has an administration council with an ideal number of participants (5 to 9 members), 0 if not.	+	H1a
	Independence of the Council	Indep	Ratio of number of independent councilors and number of councilors that represent the controller	+	H1a
	New Market	NM	<i>Dummy Variable:</i> 1 is the company participates in the New Marker level of governance, 0 if not.	+	H1b
	Share Concentration	CT	Percentage of property of the three largest shareholders of the company	-	H1c
	Total Compensation	RT	Natural logarithm of the total executive compensation of company i during the year t.	+	H1d
	Stock Option Plan	PSO	<i>Dummy Variable:</i> 1 if the company has a variable compensation plan with respect to the stock option, 0 if not	+	H1e
Sustainability	Entrepreneurial Sustainability Index	ISE	<i>Dummy Variable:</i> 1 is the company participates in the ISE, 0 if not.	+	H2a
Control Variables	Share control	Control	<i>Dummy Variable:</i> 1 if the company has the government as part of the control of the company, 0 if not.	+/-	Control
	Size	Tam	Natural logarithm of the total assets of company i during the year t.	+/-	Control

**3.4 Data Analysis Technique and Econometric Model**

The data were analyzed based on a linear regression model. Gujarati (2012) highlights that the linear regression seeks to measure the statistical dependence of a dependent variable with other explanatory variables, thus estimating the average value of the dependent based on the known values of the other variables. Hair et al (2009) complement that the linear regression analysis consists of a multivariate statistical technique used to analyze the relation between a dependent variable (criterion) and the other predicting variables (explanatory) and can be expressed with the following basic formula, according to Fávero et al (2014):

Where,

$y$  is the dependent variable  
 $X_1 + X_2 + X_k$  are independent variables  
 $\alpha, \beta_1, \beta_2, \dots, \beta_k$  are the regression parameters; and  
 $\varepsilon$  is the term of error, also known as residual.

The data used were subjected to econometric analysis based on multiple linear regressions (RLM) which consists of a regression model that contains more than one regressor. Quantitative variables that represent the value of the attributes that can be counted or measured in each element of the sample were used.

Thus, the adequacy and robustness were verified with estimations by pooled methods, random effects, and fixed effects, and for both the F Chow test, the Lagrange Multiplier Test and the Hausman Test were used, in addition to the verification of the existence of heteroscedasticity based of the Breusch-Pagan test.

Moreover, considering the effects of endogeneity and reverse causality, studies involving the verification of the sensitivity of corporate governance and performance (Silva and Chien, 2013; Sonza and Kloeckner, 2014; Oliveira, 2014) have applied the estimation of panel data by means of the generalized moment method (GMM) which considers multiple observations of everyone in the long term.

Hence, we proceeded to the econometric analysis by means of the dynamic GMM method (Bond, 2002), using a lagged endogenous variable as explanatory variable in the model. The Arellano and Bond (1991) tests were carried out for the validation of the model to verify the existence of first and second order serial correlation and the Hansen over-identification test was performed in order to test the validity of the instrument used in the specification of the model.

Indeed, the econometric model designed to test the hypotheses and the corresponding variables of the investigation was described according to model 01.

$$QTOBIN = \alpha + \beta_1 TC_{it} + \beta_2 Indep_{it} + \beta_3 NM_{it} + \beta_4 PSO_{it} + \beta_5 RT_{it} + \beta_6 CT_{it} + \beta_7 ISE_{it} + \beta_8 Control_{it} + \beta_9 Tam_{it} + \varepsilon$$

The variables correspond to company  $i$  of the energetic sector selected in the sample in the year  $t$ . The meaning of the variables is presented in Table 01. The data were modeled based on the linear regressions analysis with grouped data.

#### 4. Presentation and Analysis of Results

The model of the investigation was estimated based on panel data. Initially, it was found that the estimation by the stacked model method (Pooled) could present specification bias by not considering the effects of individual firms, omitting therefore relevant information. We then proceeded to compare the estimation of fixes effects and random effects.

Nevertheless, in models with many binary variables, the estimation by fixed effects can lead to the loss of degrees of freedom and hence to multicollinearity and inaccurate estimation of the parameters. Furthermore, some dummy variables of the general model of the investigation did not evidence variance throughout time thus presenting perfect collinearity and not allowing that the estimation by fixed effects identify the impact of said variables.

Moreover, the null hypothesis of the Hausman test, which tests the absence of correlation between the non-observable effects and the exogenous variables of the model, was not rejected indicating a greater efficiency in the estimation by random effects.

Finally, the estimation by the GMM-Sys method was considered to mitigate possible endogeneity effects (Barros et al, 2010). The results of the regressions estimated by Random Effects and the

General System Method with the estimated coefficients, pattern errors and statistical significance are presented in Table 2. The validation tests of the models are described below the table.

**Table 2.** Results of the Regression.

		(1)	(2)
		EA	GMM-Sys
Intercept	$\beta$	1.47	3.42
	Se	1.51	1.21
QT ( <i>t</i> -1)	$\beta$		0.871***
	Se		0.444
Indep	$\beta$	.334*	0.516*
	Se	.401	0.466
Total	$\beta$	0.334***	.274***
	Se	0.401	0.094
NM	$\beta$	1.06***	1.18***
	Se	0.17	0.21
RT	$\beta$	-0.198***	-0.109*
	Se	0.054	0.060
CT	$\beta$	0.042**	-0.044***
	Se	0.009	0.014
ISE	$\beta$	.235**	0.425***
	Se	.131	0.100
Control	$\beta$	-0.348*	-0.434***
	Se	0.188	0.107
Size	$\beta$	2.03***	2.46***
	Se	0.52	0.79
R <sup>2</sup>		0,8556	0.8838
Hausman Test		0,2859	
Breuch-Pagan Test		0,000	
Hansen J Test			0,76
AR1			0,005
AR2			0,666

**Source:** Investigation Data.

Note: (i) \*\*\*, \*\*, \*, significant at 1%, 5% and 10% respectively;

Besides the tests already described attention to some assumptions of the linear regression was also given. Firstly, a correlation between variables was found; a low correlation in the explanatory variables was identified, a fact that is important for the model because should the model present high correlation, it would have low efficiency since the variables would evidence an exact linear combination.

The linearity of the parameters must be one of the first assumptions to be analyzed. To verify the linearity of the parameters of the regression, the Ramsey RESET (Regression Specification Error Test) functional test was used. With it, it is possible to verify a linear specification before a quadratic

alternative. In this way, the null hypothesis of the test consists of the linearity and the alternative hypothesis consists of that of non-linearity (Gujarati, 2012).

To meet this assumption, the relation between the independent and dependent variables must be represented by a linear function to use the functional form of ordinary least squares in the adjustment of the model. The violation of this assumption leads to biased estimators or indicates that the relevant variables were omitted (Gujarati, 2012; Hair et al, 2009). The obtained result ( $\text{Prob} > F = 0.38$ ) suggests that it is not possible to reject the hypothesis of linearity for the specified regression model thus having a model that meets the assumption of linearity of the parameters being it specified correctly.

After working with the sample, the assumption of normality if the residuals of the regression based on the Shapiro Wilk test was verified, the null hypothesis of the test and the sample originate from a normal population. The p value presented in the Shapiro Wilk statistic was 0,41, therefore, greater than a significance level (alpha) of 0,05 thus not rejecting the premise of normality.

To avoid the multicollinearity problem which occurs when one of the regressors is the linear combination of other regressors (Corrar et al, 2007), a multicollinearity diagnosis was applied to find if there is correlation between the independent variables. The test used was the VIF – Variance Inflation Factor statistic and the commonly used reference value for these tests consists of a VIF lower or equal to 10, given that values above this index indicate multicollinearity (Hair et al, 2009).

The specified model meets the assumption of the absence of multicollinearity since besides there not being any variable with an index of more than 10, the average value found was 2,8, well within the acceptable limits. Additionally, the correlation of the panel data by means of the Wooldridge (2010) test was identified. This test has as its null hypothesis the absence of first order correlation. The statistic of the test indicates the absence of self-correlation in the data.

Another validation test carried out was with respect to the non-existence of heteroscedasticity. The problem of heteroscedasticity occurs when the variances are not the same for all the observations. The statistic is distributed as a chi-square distribution with p degrees of freedom under the null hypothesis of non- heteroscedasticity and that the error of regression is normally distributed (Hair et al, 2009). The assumption of equal variances is fundamental to make inferences with respect to  $\beta_0$ ,  $\beta_1$ ,  $\beta_n$ ... The Wald test was used to detect homoscedasticity, and the result found was 0,4795, thus, at a significance level of 0,05 the null hypothesis is not rejected therefore the model does not evidence heteroscedasticity.

In the model estimated by the GMM-Sys method, the Arellano/Bond (1991) test rejected the first order serial self-correlation (AR1) in the residuals and accepted the second order self-correlation (AR2), assumed for the validity of the instrument based on discrepancy. With respect to the Hansen test, the J statistics point to the non-rejection of the null hypothesis of validity of the instrument.

The Pseudo R2 value determines that the group of explanatory variables proposed for the model explains the fact of the companies having a higher corporate value in 85,56% and 88,38% at a significance value  $\alpha$  of 0,001.

The results of the estimations indicate that the variables of governance and sustainability positively relate with the creation of market value for the electric energy companies selected in the sample. The only variable that evidenced signs opposite to those expected was that concerning the executive compensation. In the case of compensation, it was observed that the companies with greater compensation have a lower market value, suggesting some form of misalignment between the compensation policy and the market performance of the companies being analyzed. However, when the stock options policy was observed as the main form of incentive for executives to act on the creation of long-term value, there is a Strong positive relation with the Tobin Q dependent variable.

Consequently, the variable share concentration variable evidenced a negative relationship with the corporate value indicating that the companies with lower share concentration have a higher market value. In turn, the share control variable reveals the fact that belonging to the government can reflect

a lower market value, notwithstanding that the size of the companies has a positive relationship with the generation of corporate value.

In what respects the other governance metrics, the size of the council within the standard suggested by the governance codes, a greater level of independence of the council, and the fact of belonging to the higher differentiated levels of corporate governance have positive influence in the creation of corporate value. With respect to sustainability, the companies that belong to the Bovespa Sustainability Index and are committed with better sustainability and social responsibility practices, have a higher market value.

All the variables discussed evidence statistical significance at 1%, 5% or 10%. Therefore, the relationships presented were statistically validated not existing reasons to reject the hypotheses that arose in the investigation, except for hypothesis 1d. The results evidence indications that the companies selected within the electrical energy sector have a positive relationship between governance, sustainability, and creation of corporate value, which empirically indicates the importance of the adoption of better practices for the sustainable performance of companies and the consequent generation of value for their different users.

## **5 Concluding Remarks**

The objective of this study was the analysis of the relationship between the creation of corporate value and the best governance and sustainability practices in companies of the electric energy sector listed in the BM&Fbovespa. To this purpose three hypotheses were stated for the investigation based on the Agency Theory and the Stakeholders Theory.

The first hypothesis of the investigation expected a positive relationship between the corporate value, measured by the Tobin Q, and governance practices. The hypothesis was confirmed based on the proxies' size of the council in accordance with the standard recommended by the governance codes, degree of Independence of the council, adoption of variable compensation by means of stock option plans and the adoption of a differentiated level of governance in accordance with the New Market and Level 2 segments of the BM&Fbovespa.

The second hypothesis tested a positive relationship between the corporate value and sustainability practices. To that extent, the fact of the company belonging to the BM&Fbovespa Sustainability Index was used as proxy. Companies committed to actions of sustainability and social responsibility, are the ones that are part of the index. A positive association was found thus confirming the second investigation hypothesis.

It was found that the study makes contributions for the development of empirical investigations that address the issue of the importance of governance and sustainability for the creation of value. It can be highlighted that the study covered a sector that has been widely addressed in investigations given its relevance and amplitude but one which is lacking empirical analysis in the dimensions being investigated. Furthermore, previous studies address the matter separately; however, the gathering of metrics is relevant to perceive the impact of the two dimensions that must be together for the development of sustainable global development.

Hence, the study embarked in the interaction between governance and sustainability and the results reflect on the importance of the companies of the electric sector to look beyond its economic function, observing the other aspects that may create legitimacy and reputation thus increasing the possibilities of market value as is described in the study of Rossoni and Machado-da-Silva (2013), in addition to looking at the precepts of the social and environmental functions in correspondence to the expectations of all the users of the company (Freeman; Mcvea, 2000).

Therefore, the importance of the results for the different interested parties of the entrepreneurial societies is highlighted. For the government it demonstrates the importance of public policies focusing on promoting companies to adopt said practices; for the regulating agents it demonstrates the relevance of strengthening regulations in order to guarantee and seek improvement in the adoption of sustainable practices. For investors it demonstrates the importance of seeking for sustainable

investments in search of the boosting of social development, environmental protection, and potential growth of the market value. For the shareholders, the generation of wealth can be highlighted, and for the agents, executives, and employees of the companies there is a better market performance which results in better benefits and the satisfaction of being part of a company which seeks sustainable growth.

Finally, for the society it is important to have great corporations that seek sustainable actions and protection of their multiple users, given that these attitudes generate a great impact considering their size. Furthermore, by seeking the best practices, these companies contribute to the environment and to the social well-being and valued for this reason. They therefore obtain a higher corporate value which consequently is reverted into new actions that excel in social, economic, and environmental development.

The study has some limitations that do not outshine the result presented but that suggest new investigations to overcome them. The impossibility to generalize given the number of observations and which was limited to three years and did not cover all companies, limiting it to those listed because of the lack of data for the other companies, must be considered.

Hence, it is suggested that new studies consider a larger sample by adding other listed and non-listed companies as well as a broader lapse of time. Another suggestion would be to broaden the model with the deployment of dimensions of sustainability. Moreover, studies that specifically approach the sensitivity of executive compensation in companies of the electric sector should be considered given that it gave signs that were different from those expected. Lastly, the adoption of other explanatory variables and other metrics to attract corporate value is suggested.

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