

Corporate social responsibility in a Brazilian mining company: “official” and divergent narratives

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Abstract

Purpose – This research paper seeks to explore two narratives identified in a project focusing on CSR in Brazil: the “official view” promoted by the company, and “divergent voices” that called into question the legitimacy of the official view.

Design/methodology/approach – This takes the form of a qualitative design and interpretive approach. Semi-structured, face-to-face interviews supplemented with corporate materials, web searches, informal conversations with external stakeholders, and non-participant observation are also used.

Findings – The study revealed that the official narrative emerging from the “corporate performances” organized by the key informant was consistently positive. The divergent narrative portrayed the company in a negative light, and was unveiled through web searches and further reflection in the post-fieldwork period.

Research limitations/implications – Data collection could have been carried out more systematically if the researcher had had greater control over the situation, especially with regard to recruitment of participants, which was done by the key informant.

Originality/value – The study contributes to a better understanding of the concept of “CSR as organizational culture”, which has not been significantly explored in the literature. It addresses the scarcity of works on CSR in the Brazilian mining sector and stresses the importance of going beyond the official view when researching CSR cultures, to consider a diversity of perspectives.

Keywords Corporate image, Social responsibility, Organizational culture, Mining industry, Brazil

Paper type Research paper

The phenomenon of corporate social responsibility (CSR) has had some marked effects over the past two decades on the cultures of organizations that incorporate CSR principles in their activities. It can be said, in fact, that the systematic adoption of social responsibility concepts and practices has generated, in some cases, strong cultures of CSR, with their own “ideational” and “material” manifestations. Based on a qualitative study of a large Brazilian mining company, this paper explores the culture of CSR in that organization through two lenses: the official view, promulgated by the company’s discourses and practices, and a divergent view which calls into question the legitimacy of the official view. These perspectives create two contrasting narratives that form the central theme of this analysis. The purpose of the paper is to examine the defining features of these two narratives in order to illustrate the complexity of CSR cultures.

It is my contention, drawing on Goffman (1959), that to a significant extent the “official view” is enacted for the purpose of impression management (i.e. to produce positive perceptions in relation to the company’s CSR activities). This is accomplished through corporate “performances”, defined by Goffman (1959) as “all the activity of a given participant on a given occasion which serves to influence in any way any of the other participants”. In the context of the current study, I suggest that the corporate performances were organized and controlled by a key informant to influence my definition of the situation in line with the company’s official discourse. As a researcher, thus, I became the “audience” for the

corporate performances carried out during my fieldwork, and was exposed to a narrative that consistently portrayed the company in a positive light.

At odds with the official view, divergent views existed in the “back regions” of the performance (Goffman, 1959) and were not acknowledged in the narrative created by the official performers. As noted by Goffman:

Access to [the back regions] is controlled in order to prevent the audience from seeing backstage and to prevent outsiders from coming into a performance that is not addressed to them (Goffman, 1959, p. 238).

Information that was incompatible with the idealized portrayal of the company was thus concealed or disregarded. However, as will be seen later in the study reported in this paper, the researcher managed to “penetrate” the back regions of the performance and catch a glimpse of the divergent voices that told a significantly different story about the company’s CSR culture.

Before proceeding, though, it is necessary to make two caveats. First, it is not my intention to be critical of the staff from the company I studied. My informants came across as competent and committed individuals, doing an excellent job with local communities. They were extremely helpful and courteous throughout my fieldwork, and without their assistance I would not have been able to carry out my research as effectively as I did. The critique presented here refers to the one-sided nature of the discourse promoted in the controlled performances I witnessed during my fieldwork, and it is framed by the assumption that there are always (at least) two sides to a story. It is therefore essential to seek information from a variety of sources in order to produce a well-balanced account of a complex phenomenon such as a CSR culture. Second, what I present in this paper are “tales from the field” (Van Maanen, 1988), mostly written in the first person, in a self-reflective narrative style. Thus, this account is only my interpretation of the different texts collected in the field, which include the views of company employees and members of the communities affected by the company’s operations, and also materials from different documents obtained during fieldwork. It can be said that my interpretation of these texts has created a new text that bears my own analytic perspective (Czarniawska, 1997). This new text will compare the narratives that emerged from the field with one another, and ultimately with my own academic narrative that is shaped by the theoretical concepts used to make sense of the data (i.e. CSR culture and impression management).

The paper is divided into two parts: the first places the study in a theoretical context by defining its key concepts, and briefly examines selected works on CSR in Brazil and impression management. The second discusses the findings of my study through the presentation of the two contrasting narratives unveiled in the research: one structured around the official view, and the other structured around divergent voices that called into question the legitimacy of the official view.

1. Defining key concepts

1.1 CSR in Brazil

CSR is an “essentially contested concept” (Gallie, 1962), which is evident in the different conceptualizations of the phenomenon found in the literature (see de Bakker *et al.*, 2005). However, given that this paper is about CSR in a mining company from Brazil, I borrow for its purposes a definition provided by a major Brazilian CSR agency called Ethos Institute of Business and Social Responsibility:

Corporate social responsibility is a form of management defined by the ethical and transparent relationship between a company and all the groups with which it relates, by the establishment of corporate goals compatible with the sustainable development of society, preserving its environmental and cultural resources for the future generations, respecting diversity, and promoting the reduction of social inequality (Instituto Ethos, 2008).

The focus of this paper on a mining company is due to the critical relevance of CSR to the mining sector. As commented by Jenkins and Yakovleva (2006), “the discovery, extraction and processing of mineral resources is widely regarded as one of the most environmentally and socially disruptive activities undertaken by business”. As a result, note Walker and Howard (2002), “the mining industry suffers from a range of problems associated with real or perceived poor environmental and social performance”. Maintaining a “license to operate” is a constant challenge in this sector which prompts companies to adopt CSR frameworks and other voluntary initiatives. As will be seen later, the company researched had an impressive infra-structure for the implementation and delivery of CSR programs.

The reason for studying a Brazilian company is twofold. First, mining is a quintessentially important industry in Brazil. According to the *Instituto Brasileiro de Geografia e Estatística* (IBGE), the Brazilian mining industry registered in 2006 an annual growth of 6 percent – surpassing sectors such as agricultural (3.22 percent), manufacturing (1.91 percent) and civil construction (4.5 percent). In the same year, mining accounted for 29.4 percent of all Brazilian exports with a total value of US\$40.1 billion (Alves, 2007). However, despite the importance of mining for the Brazilian economy, a literature review on the topic reveals a gap in research dealing specifically with the topic of CSR in the Brazilian mining sector. The current study undertakes to address this gap.

The second reason for focusing on a Brazilian mining company is Brazil's considerable experience with social responsibility, in view of its long standing tradition of philanthropy (Young, 2004; Scharf, 2008). A survey carried out in 2001 by the *Instituto de Pesquisas Economicas Aplicadas* (Applied Economic Research – IPEA) found that 60 percent of the participating companies had invested in social projects – “either directly or by donations through partnerships with non-government organisations” (Young, 2004). Similarly, a census carried out by the *Grupo de Institutos, Fundações e Empresas* (Institutes, Foundations and Corporations Group – GIFE) found that in 2005 its 101 member companies invested around US\$555 million in philanthropic initiatives – approximately 25 percent of all private money allocated for foundations and nonprofits in Brazil (Scharf, 2008). The prominence of philanthropy in the Brazilian business sphere can be said to be a consequence of the social inequities that have historically characterized that context. As commented by Young (2004), in Brazil “vast opportunities co-exist with deep inequalities” and the roots of these problems are deeply entrenched in the history of that nation. The salient role played by philanthropy in Brazilian society is also acknowledged by Griesse (2007) who traces the roots of Brazil's income disparities and high indices of poverty to its colonial past.

Over the past two decades, philanthropy has been gradually replaced by more formalized programs of social responsibility in many large Brazilian companies (Young, 2004), leading to the development of comprehensive CSR frameworks and reporting systems. As a result, Brazil is becoming a champion of CSR with more than half of the ISO 14,001 (environmental) certification in Latin America, and more of the global accountability standard certifications (8000) established under the International Labour Organisation than any other nation in the Americas (Scharf, 2008). Brazilian companies are also said to lead the way in Latin America in the publication of sustainability reports that comply with GRI standards. It may be possible, thus, to learn from the Brazilian experience (Scharf, 2008).

1.2 CSR culture and impression management

Given that this paper deals with “CSR culture”, it is also relevant to define this notion. Borrowing from Smircich (1983), CSR culture is defined here as a set of more or less shared meanings which gives an organization its distinctive character of being ethical, equitable and transparent in relation to social and environmental issues. These shared meanings are expressed in patterns of belief (e.g. values such as respect for human life); activity (e.g. organizational norms and procedures); special language (e.g. “triple bottom line”; “social investment”), and other symbolic manifestations (e.g. rituals of bonding with local communities; special celebrations). Through a CSR culture, organizational members both “create and sustain their view of the world and image of themselves in the world” (Smircich,

1983). The worldview that is more or less shared by organizational members creates the group's identity, purpose and direction which are products of its unique history, intersubjective meanings, and organizational environment. As will be seen in the next section, the corporate identity of the company under examination was largely shaped by its CSR culture which generated distinctive themes in its official narrative (e.g. "community relations"; "social investment policy"; "transparency"; "social accounting").

For the purpose of this analysis I borrow Bansal and Kistruck's (2006) definition of impression management which more specifically relates to contemporary organizational settings. For these authors, impression management refers to the shaping of the symbolic representations of substantive actions, in order to influence stakeholder perceptions. This is accomplished by "controlling what is disclosed and how"; by focusing on positive information and underplaying or omitting information that can compromise the company's image and reputation.

A study by Gardner and Martinko (1988) found that organizational culture provides a powerful cue for impression management because "organizational strategies, policies, symbols, myths, and stories serve to teach, demonstrate, and support the behavior and attitudes considered appropriate" in organizational settings (Gardner and Martinko, 1988, p. 325). Hence, as will be seen below, a company that purports to have a "CSR culture" will, accordingly, endeavor to convey an impression of being ethical, equitable and transparent to satisfy its external audiences.

2. The study

Reported in this paper is what Czarniawska (1997) characterizes as a "window study" in which "the researcher opens an arbitrary time window and describes all that can be seen through it". The "window" opened by this researcher is a six week fieldwork carried out in a major city in Brazil during August and September 2008 in order to gather data on the CSR activities of a large mining company which for the purpose of this study will be called "Ferrus".

The study had a qualitative design, and the main instrument of data collection was semi-structured, face-to-face interviews with 14 participants, including two CSR executives, three non-executive employees, and nine members from communities that had been impacted by Ferrus' activities. The interviews were recorded with permission of the participants and later transcribed and translated into English. Participants were given the opportunity to comment on the interview transcripts. The data from the interviews was supplemented with materials such as corporate documents (e.g. annual reports; publicity brochures; special publications), company web site, fieldwork notes, informal conversations with stakeholders, and non-participant observation. To ensure anonymity and confidentiality, all names of geographic locations that could potentially identify the company have been changed. The same technique was used in relation to participants, whose names have been replaced by pseudonyms. Textual fragments taken from the company's web site and annual report have also been slightly modified to prevent the possibility of identification.

My key informant (for the purpose of this study called "Lucia") was an executive manager from Ferrus' Sustainability Division, whom I met following a recommendation by an academic colleague in Brazil. As the researcher, I should have recruited the participants for the study myself, but Lucia insisted that she would carry out this task. This unexpected occurrence explains the predominance of the "official narrative" in my data – and, accordingly, the consistently positive comments on the company's CSR performance. The divergent voices were unveiled later through "reflective brainwork" (Stake, 2005) on the interviews transcripts, and further research in the post-fieldwork phase. These two narratives are explored hereafter.

2.1 The “official” view

The corporate documents provided by Lucia during my window study portrayed Ferrus as a highly successful Brazilian mining company with more than 3,000 employees in two industrial plants – one in a place fictitiously called “*Mata Verde*” (Green Bush) and the other in “*Mar Azul*” (Blue Sea). Reflecting its global orientation, Ferrus had an office especially created to handle foreign trade and exchange operations, and also overseas sales offices in Europe and Asia. Since its foundation more than three decades ago, the company is said to have consistently shown robust financial performance – which had been particularly impressive over the past few years since it began exporting iron ore to China. From Ferrus’ perspective, this was a very profitable venture which led to a production increase by more than 50 percent from previous years[1].

According to the official narrative, Ferrus was a champion of CSR in Brazil, reflected for example in its regular use of social responsibility indicators to guide its strategies, and certifications ISO 9001, ISO 14001 and OHSAS 18001. The Company had also been awarded prizes for its social activities from prestigious Brazilian institutions such as *Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais*, *Instituto Ethos*, *Fundação Instituto de Desenvolvimento Empresarial e Social*, and *Instituto Brasileiro de Análises Sociais e Econômicas*. Social responsibility and human respect were values that figured prominently in the Company’s rhetoric. As stated on its web site:

Ferrus’ actions are guided by principles of social justice, collective well-being, respect for people, commitment and surpassing expected results. Our relationships with stakeholders are ethical, transparent, and enduring. The Company’s continuous pursuit of technological development and creativity enable the delivery of quality and reliable products and services.

In line with its CSR values, Ferrus had a “social investment policy” whose aim was “to contribute for an integrated and sustainable social development in society by knowing its potential, values and interests.” This policy was implemented and monitored by a team of competent and committed managers from Ferrus’ Sustainability Division, who actively contributed to shape and sustain the company’s CSR culture.

2.1.1 Perceptions by Ferrus’ staff. My key informant “Lucia” had the title of Community Relationship Manager at Ferrus’ Sustainability Division. During my window study, she organized a number of corporate performances including a formal presentation of Ferrus’ CSR portfolio; visits to Ferrus’ offices and plants, and interviews with selected Ferrus’ staff and community members. It can be suggested that Lucia used her positional power as a CSR manager to “control” the performances staged during my fieldwork, ensuring that Ferrus was consistently portrayed as a champion of CSR in Brazil. In Goffmanian terms, the researcher became the “audience” for those corporate performances.

The first “live” performance I witnessed took place during a meeting with Lucia. By means of a well-designed PowerPoint presentation, Lucia sketched the broad contours of Ferrus’ CSR culture and spoke at length about the activities of her Community Relationship Department. One of the slides in the presentation described the aim of this Department as follows:

To promote the development of local communities in order to establish a relationship that will contribute to positive social change. This will have as a basis dialogue and a information sharing in a systematic and transparent manner, keeping in mind Ferrus’ growth strategy.

The next corporate performance took place during a joint interview with Lucia and her boss “Carlos” about their work with CSR at Ferrus’ Sustainability Division. This performance was carefully framed in managerial phraseology, as though the performers had memorized a corporate script written specifically for marketing purposes. I opened the interview with the following question: “Would you say that there is a culture of CSR in your organization? Emphasizing the central role played by the value of ‘human respect’,” Carlos answered:

I’d say so. With regard to the CSR culture, an important point is the value attributed to what we call in our organization “respect for human life”. And when you talk about human respect, you’re not merely talking about the internal environment of the organization; you’re talking also about its external environment. This value guides our actions. That is, I’m part of the community. I

participate in this community. Therefore, I ought to respect these people. [...] The very actions of our employees in socially-oriented initiatives indicate a culture of CSR. [...] Ferrus is widely known in Brazil for its strong engagement in social action. That's what makes us different from other companies.

Lucia agreed with her co-performer that there was a culture of CSR at Ferrus, and proudly recounted the process that led to a "pact" between Ferrus and local communities for a more effective implementation of the company's social investment policy. Despite some problems in the beginning, Lucia noted, the implementation was going well. In her own words:

For us, the pact with the communities is a motive of great pride. It was difficult in the beginning because we couldn't enforce anything compulsorily; we couldn't create a reference model. The transformation was only possible with a lot of work. There was a lot of discussion to create an understanding between us. There was distrust in the beginning, which is natural. Some people criticized our model but we believe it's a good participatory model with the communities that can lead to more promising outcomes; to define what we can perhaps do in the future.

Carlos also expressed pride in relation to his work at the Sustainability Division emphasizing the role of his team in the implementation of CSR programs in local communities. Once more, he answered as though he were following a corporate script, describing some of his favorite CSR projects at Ferrus as follows:

Our environmental education program has been designed to capacitate teachers, giving them opportunities to improve their lives, at the same time that they improve their educational performance. Another initiative that is also very dear to us is the generation of jobs and income. We know we cannot employ everyone who lives in the vicinity of our organization, but we have a handicrafts program in the *Mata Verde* community which creates lots of jobs. [...] Our initial role was to encourage, and later, to capacitate. Today, we endeavor to give them the opportunity to sell their products. Ferrus allows these people to exhibit their products inside the company ... They are part of poor communities with few opportunities and basically [this initiative] is the only economic opportunity they've ever had ... This program stemmed from our environmental objectives and was given a social dimension. It is going very well.

Lucia spoke at length about Ferrus' social investment policy which her department implemented. She stressed that the Policy had become an important point of reference for the Company, and also a model for other organizations. As she put it:

[Ferrus'] social investment policy has become a point of reference for us to conduct the process with a high degree of transparency. We have established a form of dialogue with the communities, which is extremely proactive and extremely constructive. Following the implementation of the policy, the state government ruled that this model of dialogue should be implemented in all state enterprises.

Carlos' loyalty to Ferrus was evident in his response to a deliberately complex question that I posed in the interview: "How do you think Ferrus deals with the fundamental dilemma faced by contemporary businesses between sustaining good financial performance and being socially responsible?" He stated that he did not perceive this as a dilemma because profits are "a consequence of good business", and he had no doubt that Ferrus fell within that category. In Carlos' own words:

I don't think it's a dilemma at all [stated emphatically]. Profits are a consequence of good business. Social responsibility must not enter in the Company's expenses sheet; it has to be part of its investment. [...] So, for me there's no dilemma with profits; profits are a necessity, and also a consequence of good business. And as we talk in our organization about *excelência empresarial* [excellence in business], we can be excellent in the generation of profits and value for the shareholders, but also excellent in the generation of environmental and social values.

In the interview Carlos also admitted that he had heard the occasional criticism of Ferrus' CSR initiatives arising from the media and environmental and social justice groups, on the grounds that CSR is "just another public relations exercise" for the company. However, he defended the company on the grounds that it kept sustainable action and marketing as two separate spheres of action:

We do hear this sort of comment, and my first reaction is to contest it, because this is not our intention. But you've got to understand that many companies do this. But here we try to separate what is "marketing" [said in English] and what is positive and sustainable action. And we do believe that the definition of our own social responsibility policy helped a lot because when people have the opportunity to propose projects, the policy has criteria to differentiate between "marketing" and social action. [...] What we [the sustainability team] try to do in this case is to work more intensely to demonstrate that our social action is primarily transformative [...]. We contend that action in education, for income generation and entrepreneurship are transformative actions in society, and it's legitimate to publicize these achievements – not as "marketing" – but because in publicizing them you are setting an example, encouraging other organizations to do the same. It's pointless to do something and not divulge it, because publicity brings new opportunities.

Further performances were enacted in the interviews with non-executive employees, who were recruited by Lucia for the study. Not surprisingly, they too endorsed the official view by expressing feelings of pride and commitment in relation to Ferrus. For example, "Izabela", a community liaison officer from the *Mar Azul* plant who was part of Lucia's team, expressed a great deal of personal satisfaction with her job at Ferrus:

My satisfaction to work here can be explained in terms of the recognition in my team that our group is cohesive and we share the same values and aspirations. Here I had the opportunity to develop my work in whatever way I like. That is, I have the opportunity to externalize what I think, to apply new ideas to my activities and, in particular, I have the freedom to make decisions within my sphere of activity. My manager [Lucia] has a unique ability to deal with people, and to provide each person with a challenging environment, while respecting their qualities and competencies. The impression I have is that she knows how to combine the "ingredients" to arrive at a result that is positive for the company and for the team.

Two other non-executive employees from outside the Sustainability Division were interviewed at the *Mar Azul* plant, and their perceptions of Ferrus were also very favorable. Both had received considerable benefits from Ferrus, and reported great pride in working there. For example, emphasizing that he felt valued at work, "Joaquim" explained the reasons why he enjoyed working at Ferrus:

We know that Ferrus is one of the best companies to work for, and you are a living proof of this: you're doing research on a place that really cares about society, people, the environment, and everything. [...] I'm very proud to have this job. [...] because Ferrus greatly values its employees. It gives us lots of benefits. For example, I'm doing a course, and if I weren't working here I'd have to pay for it myself. Ferrus pays 75 percent of my fees [...], and it also gives us medical insurance, medical care, all rights that workers deserve ... And in here, if something happens, they're like ... family, really. And that's why I say that the Company values [...] all of its employees. So, I have to try to reciprocate by giving the best I can [to the company]. I think Ferrus manages to get the best out of its employees. That's why I'm proud to work here. Since I started working here one and a half years ago, my life has improved a lot!

The use of a family metaphor by Joaquim ("they're like ... family, really") invoked feelings of comfort and security, suggesting that Ferrus is a caring and nurturing organization. This pattern recurred in the interview with "Luiz" who also used a family metaphor to describe his work experience at Ferrus, as seen below:

Yes, I like working at Ferrus for two reasons: first because of the family atmosphere of the place. I think this is very important because you feel free to talk about anything with people. If you have a problem – even a personal problem – you know where to go. If you have a work related problem, you go to your manager or to the supervisor; or even to your workmates. You can talk about whatever you like. *É um clima de irmão mesmo* [it's really a brotherly environment]; you're always guided. This makes you feel secure. You're not afraid when you talk to people. I think this is very important. The other reason is the benefits that are really good, but I think the most important thing is the freedom to do what you like; because it's pointless to work in a place only because of the salary, you know.

Summing up, the above responses illustrate the enactment of the official CSR discourse in a Brazilian mining company through corporate performances especially organized for external audiences. While there is no doubt that Lucia and Carlos were competent managers

who had played a key role in nurturing Ferrus' CSR culture, it can be suggested that their executive positions at the Company entailed additional efforts to portray the company favorably to outsiders. Positive views were also expressed in relation to Ferrus by the non-executive employees, which did not come as a surprise, given that they had been handpicked by Lucia. They were also protagonists in the performances organized for the-researcher-as-audience. The sections below unveil similar patterns in the discourse of members of communities associated with Ferrus – who were also selected by Lucia for the interviews.

2.1.2 Perceptions from "the community": Before examining the perceptions from community members, it will be relevant to note some ambiguities in the notion of "community". CSR strategies of mining corporations such as Ferrus place significant emphasis on the company's relationship with "the communities". As Kapelus (2002) puts it, "the community" emerges as "the distinctive narrative in the strategy of the mining sector for promoting CSR". Here the question to ask is: what exactly is a community? This concept has proved difficult to define, perhaps because, as noted by Cohen (1985), communities have little to do with geographic or sociographic factors: they exist in the minds of their members as elements of their own subjective view of the world. Another reason for the definitional problems associated with the notion of community, according to Kapelus (2002), is that people have "multiple, overlapping and changing identities". I stress therefore that what is being referred to in this section as "the community" is in fact only a small group of people, most likely selected to be part of Ferrus' performances because of the resonance of their views with those promoted in the official discourse.

The interviews with community members began with a discussion about the social issues currently facing their communities. A number of participants told me about the social disruptions caused by the influx of male laborers (derogatorily called *peões* ["peons"]) who come from other localities to work at Ferrus' plants. I was told both at the *Mata Verde* and *Mar Azul* interviews that this issue had been particularly problematic two years ago, when the Company expanded its operations, and some six thousands new workers arrived to work at the plants. According to the community interviewees, this led to serious social problems, including "broken families", "troublesome adolescents", underage prostitution, teenage pregnancy and drugs. As *Mata Verde* resident "Gloria" put it, "These *peões* come and go, leaving a trail of broken families and troublesome adolescents".

However, at the same time that the community participants were aware of these disruptions, they also seemed grateful to Ferrus for its attempts to address the problems through the work of the Sustainability Division. For example, residents from both *Mata Verde* and *Mar Azul* reported that Ferrus regularly ran educational programs for mining workers to raise awareness about "the consequences of their actions" (Gloria). The community interviewees seemed particularly impressed by Ferrus' social investment policy which had been providing funding for a number of income generating projects to alleviate poverty. Many of the participants expressed gratitude for the assistance that they had been receiving from Ferrus, and "Renata" from *Mata Verde*, was one of them:

Ferrus [has] always been the company that has most invested in our community. We have another mining company operating in the region but it's very much in the background. These days, the most active company is Ferrus. It's always involved with the community. [...] So far, Ferrus has had a strong presence in our community, and I think it'll be here for another 20 years. And the girls from Ferrus [referring to the community liaison team from the sustainability division] always visit our [community] associations to see how things are. [...] As I told you before, it was the pillar, the basis from which we emerged. [...] That's why we feel *um carinho especial* [a special affection] for Ferrus.

Renata's closing statement denotes what can be seen as an attitude of affection in relation to Ferrus, and her allusion to staff from the Sustainability Division as "the girls" suggests a relationship of camaraderie and warmth between community and company. A similar pattern emerged in the comments of "Marcia" which highlighted what she perceived as Ferrus' faith in the *Mata Verde* communities. In her own words:

Ferrus believes in us [said emphatically]. It's a company that – even when we find that things are too difficult – it goes there [to the community sites] and believes in us. It's always encouraging us to believe that we can improve our community.

Similar thematic patterns emerged in the interviews with members of the *Mar Azul* community, and the case of husband and wife “Paula” and “Sergio” was particularly illustrative. The couple ran a successful handicraft workshop, funded by Ferrus, which manufactured a range of straw products (e.g. hats; baskets; fans; mats). This income generation project provided employment for dozens of families in the neighborhood and it was a motive of great pride to the couple. Paula's appreciation of Ferrus is clearly reflected in her comments below:

Ferrus has been a great partner. It's given us training, and also this workshop, which is something that we'd never be able to achieve on our own. *Never!* [said emphatically.] The company has been helping us, because it's been giving us work. It's given us work, and we've been sustaining it. We've been productive.

The perceptions of Paula's husband, Sérgio, in relation to Ferrus were equally positive. He reported a close relationship with staff from all levels at the Company, as illustrated in the excerpt below:

My relationship with Ferrus is excellent; very good! From the company's president to staff at the gate. Excellent! We're well known there, so I can speak from a privileged position. [. . .]

Sérgio also demonstrated strong loyalty to Ferrus when he vehemently defended the Company against allegations of air pollution arising from the local community:

Does the company pollute? Yes, it does. Has it polluted a lot? Yes, it has. [Pause] But today it pollutes much less. I've been following the expansion of the Company for many years. I'm part of a monitoring committee at Ferrus. I've got a long history of involvement with Ferrus, and I know its history well. I know about its social responsibility; about what it does for the communities. This is well known. Are there people who don't recognize this? Yes, because they have their personal interests unsettled. Myself, I don't have any personal interests threatened [by Ferrus'] presence in the area.

Having benefited significantly from Ferrus' CSR initiatives, community members such as Renata, Marcia, Gloria, Paula and Sérgio portrayed the Company in largely favorable terms. It became clear, nevertheless, that their comments revealed only one side of the story. As will be seen in the next section, the study also probed beneath the “the polite appearance of consensus” (Goffman, 1959) to unveil a significantly different narrative of CSR at Ferrus.

3. Divergent views

As previously noted, divergent views existed in the “back regions” of the performance and were not acknowledged in the official narrative, as they provided information that could potentially mar the company's positive image. In the study, the researcher managed to “access” the back regions of Ferrus' performance stage to unveil an alternative narrative critical of the Company, which remained undisclosed in the official narrative[2]. For example, during the interview, the leader of one of the communities of *Mar Azul*, “Bernardo”, expressed concerns with Ferrus' social and environmental impacts in his community. He stated that he had been struggling for a long time for improvements in the quality of life of the residents, but the region was still “rife” with environmental and social problems such as air and water pollution, teenage pregnancy, underage prostitution and drugs. While, as seen earlier, these problems were identified by other community interviewees, there was an important difference in the way Bernardo interpreted them. Showing a more critical analysis of the situation, he very explicitly associated those issues with Ferrus' operations. Below are his reflections:

Ferrus has only brought pollution and social problems. [. . .] It's been expanding here in *Mar Azul*; growing a lot. So, we have these changes in the lives of the community which harms its social structure. For example, the number of people in the region has increased a lot [and] we don't have an area for leisure activities or an area for sports. We haven't got a covered gym, where we

can take our children, where people can interact. We haven't got a secondary school. So, what happens? These people sit around on the footpaths. [...] Then there's prostitution and drugs. All the bad things come to our little town, while the financial capital is doing very well in the market. Today, the government of this region is considered an "*El Dorado*" (sic). It's spreading out, you know, everyone wants to come here! Ferrus with their expansions, and other big corporations too. [...] As people say, "Here a *gente so fica a ver navio* [we only see the ships passing by][3]. Only seeing ships; ships everywhere. Improvements in the community? No one helps.

The problem of air pollution in *Mar Azul* also emerged in informal conversations I had with people living in the vicinity of Ferrus' plant – despite a tendency of the key performers to underplay this problem (the issue of air pollution was conspicuously absent from the official narrative).

One morning, as I had breakfast in the restaurant of the small family-owned hotel where I was staying during my visit to *Mar Azul* (located approximately 10km from Ferrus' plant), I overheard one of the waitresses complaining to a coworker that "this *pó preto* [black dust] coming from the Plant is a bloody nuisance!" As the woman frantically wiped the furniture in the dining room, she said that she was "sick and tired" of the time she wasted every morning wiping off the black dust "only to have to do it all over again in the afternoon." Two academics from a university located near *Mar Azul* confirmed, during an informal conversation, that mining dust was indeed a persistent problem in the area. Although these people lived more than 20km away from Ferrus' plant, they said that they were often exposed to the *pó preto* mentioned by the waitress – "especially in windy days".

Also alluding to the issue of air pollution emanating from Ferrus' plant, a taxi driver from *Mar Azul* who took me to the airport, expressed his view that there was a high incidence of respiratory diseases in the area. He reported that his young son suffered from severe asthma, and that he knew of other people in his community who were also afflicted by the same problem. Echoing the information obtained in the interviews with the community representatives, the taxi driver also mentioned the social disruptions produced by the floating populations of "*peões*" who settle in *Mar Azul* periodically to work at the plant. He listed the now familiar problems of teenage pregnancy, underage prostitution and drugs.

Divergent voices denouncing air pollution by Ferrus emerged loud and clear in the web searches that I carried out following fieldwork. For example, a short article published in 2006 in the newsletter of a *Mar Azul* environmental NGO reported that the expansion of Ferrus' plant in 2005 had considerably increased dust particles and gas emission in the region. Another issue of the same newsletter contended that [*Mar Azul*] residents had been "expelled from their own houses" because of the *pó preto* that had become "part of their lives". There were allegations in another article that Ferrus had contaminated a local lagoon with mercury, and that the Company had been fined millions of dollars by a Brazilian environmental agency for these infringements. It was further alleged that Ferrus' did not pay the fine because it was acting in collusion with local government.

Further discussion of the impacts of air pollution was found in a blogg authored by a *Mar Azul* resident. In a sarcastic tone, she described the environmental impacts created by Ferrus as follows:

The aggression to the environment by Ferrus is notorious and it couldn't be different given its size and the nature of its activities. At dusk, the sky in *Mar Azul* is transformed into a "beautiful scenery" created by the pinkish reflection of the lights on the clouds laden with impurities. Balconies and external areas of houses located in the main wind tracks have to be cleaned up daily, as they are constantly covered by a fine layer of mining dust from Ferrus.

A bulletin published by a *Mar Azul* community group focused more specifically on the social problems created by the influx of thousands of workers during Ferrus' expansion phase in 2005. One of its articles exposed the socio-environmental disruptions introduced in the local communities by this floating population:

The 3,000 workers which Ferrus asserted to be necessary transformed in approximately 6,000. Some came with their families, and we calculate that during the construction of the new plant, the

population of newcomers would have increased to 7,000. [...] From various parts of Brazil, there arrived busloads of people looking for jobs, which meant that jobs that could, and should, be given to local populations were given to outsiders. [...] Touristic areas lost their appeal, and large groups of rowdy men kept the tourists away. They filled our beaches with garbage.

Divergent voices also denounced Ferrus' lack of duty of care in relation to its own employees. For instance, an electronic newsletter published in 2008 by a mining workers' syndicate in *Mar Azul* revealed that not all Ferrus' employees were happy with their work conditions. It was reported, for example, that mining operatives were demanding "more appreciation and respect" from the Company, enhancements in their benefits and bonuses, and a 10 percent pay rise. There were also allegations of "bullying" of employees by supervisors at the *Mar Azul* plant. The report implied that these issues were part of a long standing struggle between the Syndicate and the company, and that Ferrus had been showing intransigence in relation to the workers' demands:

As it happens every year, the bosses are not modernizing, repeating the old *conta gota* [eye drop] tactics. That is, at each meeting they offer a little crumb, hoping that this will appease the employees. Pure deception.

Perhaps the most significant example of divergent voices that emerged in the study was the reflections of *Mata Verde* resident Gloria on the fundamentally unsustainable nature of mining. While she acknowledged in the interview the assistance provided by Ferrus to the community through its CSR programs, Gloria did not conceal her ambivalence with regard to mining as a central enterprise of contemporary society. In her own words:

Our resources are going because mining is one harvest only. So, I think it's good that Ferrus and other mining companies are taking responsibility to leave something behind, because in the future, we'll have zero resources! We know that we'll be left with zero! Ferrus came here in the 1970s saying that there would be 50 years' worth of iron ore. After 25 years . . . they closed . . . We see that in many places [mining companies] go, take minerals and do nothing, [but] at least I think Ferrus is taking the responsibility [for] the communities living where it's operating; where it's taking iron ore [. . .]; where it's taking great big slabs of soil. At least they're giving support to local communities. It's that sort of responsibility that I think every company should have, if they're causing harm. [. . .] It's 30 years now, and lots have gone. Other contracts will arrive, and more contracts mean that more iron ore goes; and things will get harder! [Stated emphatically].

Gloria's comments highlight the fundamental paradox of mining as a central economic activity of contemporary society. That is, while there is increasing public awareness of the unsustainable nature of mining, global capitalism and its aggressive consumer culture continue to demand mineral commodities. As noted in a 2002 report of the Mining, Minerals and Sustainable Development (MMSD) Project (IIED and WBCSD, 2002):

The list of applications for metals is endless – aerospace, automotive, electronics, energy generation and transmission, high-rise construction, wide-span bridges, railway tracks, weapons of war, and so on . . . In addition, most manufacturing processes for most products in the world use metal equipment as an integral part of the process. There are 31 metals in the standard personal computer. A modern jet engine is composed of 41 percent titanium, 34 percent nickel, 11 percent chromium, 7 percent cobalt, and lesser amounts of aluminum, niobium, and tantalum. Nickel-based super alloys are used in jet engines because of high temperature stability and strength. These super alloys may contain more than 15 elements, including iron, vanadium, tungsten, cobalt, carbon, molybdenum, aluminum, titanium, and niobium. A car contains about ten different types of steel alloys that constitute about 70 percent of all materials used in it. Mineral commodities have a number of non-mechanical uses, such as kaolin in paper, zinc in agriculture, and copper sulphate as a chemical raw material.

This fundamental paradox remains nevertheless a moot point in the official narratives of mining companies such as the one presented here, because of the threat that it poses to their very survival. As Goffman (1959) would have it, public acknowledgement of this paradox would lead to a major "disruption" to the enactment of the official view. It was for this reason that the information imparted to the researcher-as-audience by the corporate performers was carefully controlled and monitored by the key informant from Ferrus.

4. Conclusions

Based on a “window-study” of a Brazilian mining company, this paper explored perceptions in relation to its CSR initiatives. The research unveiled two contrasting narratives that became the central theme of the paper: the “official” view touting the CSR virtues of Ferrus, and a divergent view challenging the legitimacy of the official view.

Promoted in corporate “performances” controlled by a key informer, the official narrative in the study was overwhelmingly positive, portraying Ferrus as a champion of social responsibility with an impressive organizational infra-structure and policies to deliver its CSR programs. Ferrus’ performances also involved members of the communities, who were carefully selected by the key informant to participate in the study. Their experience of the company’s CSR programs had been generally positive and accordingly, their perceptions in relation to it were also favorable. It can be thus concluded that the promotion of the official view was based on control, achieved by the performers’ efforts to shape a certain “definition of a situation” (Goffman, 1959).

While it was evident that Lucia had a genuine commitment to CSR and that she was proud of her job at Ferrus, her role as a company executive required additional efforts to ensure the promotion of a positive image of the company for external audiences. So, she had to remain “in control” of the situation to prevent “the researcher as audience” from accessing the back regions of the performance. To this end, Lucia used strategies such as: selection of interviewees (staff and community); omission of information that could compromise the company’s image (e.g. air pollution problems), and careful framing of responses in established CSR terminology (e.g. “participatory model”; “social investment”; “stakeholders”).

The study lends support to Gardner and Martinko’s (1988) suggestion that organizational culture – in the current case, a “CSR culture” – provides a powerful cue for impression management. This is because a company’s strategies, policies, symbols and stories can be used to support the behavior and attitudes considered appropriate to sustain a positive definition of a given situation. These elements were evident in the accounts by the interviewees who spoke about CSR policies and strategies at Ferrus, and recounted stories to illustrate their experience with the company’s CSR initiatives.

It can be suggested that the divergent voices identified in the study operate as a counter-power force that highlights discrepancies and inconsistencies in the official view. They produced an alternative narrative that constructed Ferrus negatively as a company that degraded the environment, failed to adequately address the negative social impacts in local communities, and did not play fairly in union negotiations to improve the working conditions of its employees.

Three other conclusions can be drawn from this paper. The first is that corporate performances for the purpose of impression management are a political act, as they occur at the intersection of “political and dramaturgical perspectives” (Goffman, 1959). That is, performers have the power to control the perceptions of the audience by keeping “strategic secrets” from them. The strategic “secrets” in Ferrus’ performances were the social and environmental impacts arising from the company’s extractive activities. There was also a major “secret” at a deeper level, related to the fundamental paradox of mining in contemporary society – the contradiction between the on-going demand of consumer culture for mineral products and the inherently unsustainable nature of mining. As commented by Gloria, “mining is one harvest only”.

The second conclusion to draw is that “the community” is a social construct, “an imposing of order that does not necessarily fit the lived experience of the people in question” (Kapelus, 2002). As seen in the study, there were different voices in the so called “community”, stemming from the type of experience people had with Ferrus’ CSR initiatives. While, in general, the community members who were selected to participate in the study had had positive experiences with the company, the study revealed that there were also people who

were unhappy about Ferrus' presence in their community. The diversity of views in communities must therefore be taken into account in studies of this nature.

The third conclusion arises from a methodological limitation of the study – the fact that the participants were not recruited by the researcher. This led to an obvious predominance of the “official” view in the data which only provided a partial view of the phenomenon under study. Thus, a cautionary note for researchers of CSR is that information obtained exclusively from “official” sources does not tell the whole story. It is therefore essential to seek information from a diversity of sources in order to produce a more accurate and balanced account of the CSR experience from the perspectives of different stakeholders. CSR is a complex and multi-perspectival phenomenon that is best explained through “multi-focal” analytical lenses.

Notes

1. This research was carried out prior to the global financial crisis of 2008, and at that stage there was still optimism with regard to the financial future of the Company. I have since been advised that Ferrus has substantially reduced its exports to China.
2. Lucia did recognize in the interview that there were divergent voices in relation to Ferrus, but she expressed her view that they were articulated by a negligible number of individuals.
3. “A ver navios” is a popular Brazilian idiom which means that one sees opportunities passing by without being able to take advantage of them.

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