

OWNERSHIP STRUCTURE AND CORPORATE GOVERNANCE MATTER FOR CORPORATE SOCIAL RESPONSIBILITY: EVIDENCE FROM BRAZIL

HYANE CORREIA FORTE

UNIVERSIDAD DE VALLADOLID

VICENTE LIMA CRISÓSTOMO

FACULDADE DE ECONOMIA, ADMINISTRAÇÃO E CONTABILIDADE

FÉLIX JAVIER LÓPEZ ITURRIAGA

Resumo

Under the Agency and Stakeholder Theories, this study analyzes the influence of ownership structure and corporate governance on the Brazilian firm Corporate Social Responsibility, taking into account that shareholders' and other stakeholders' interests may matter for CSR. It is emphasized that Brazil has emerged as a growing force in social and environmental perspectives, having assumed the G20 presidency in 2023 and announced the creation of the G20 Social. For a sample of 796 firm-year observations from firms listed on the Brazilian Stock Exchange, in the period 2010-2022, models are estimated using Feasible Generalized Least Squares. The dependent variable was established as corporate social responsibility, composed of three dimensions collected from the CSRHub database: environment, employees, and community. The independent variables of the study were ownership concentration and shareholding control configuration, comprising the construct of ownership structure, and corporate governance. Results signal that higher ownership concentration favors Corporate Social Responsibility performance. Furthermore, shareholding control configuration also matters for Corporate Social Responsibility. In accordance with the positive effect of high ownership concentration, firms with dominant control tend to adopt strategies that promote CSR policy, possibly seeking improvement of firm image and reputation. On the other hand, dispersed control inhibits firm Corporate Social Responsibility. Perhaps, minority shareholders are more short-term oriented and do not trust in short-term return from Corporate Social Responsibility. Additionally, the findings indicate that corporate governance positively influences the extent of firm Corporate Social Responsibility. This study contributes to the literature by offering new evidence that enhances the understanding of the dynamics between Corporate Social Responsibility, ownership structure, and corporate governance, within the framework of Agency and Stakeholder theories, in a key emerging market context.

Palavras Chave

Ownership structure, Corporate governance, Corporate social responsibility

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