STAKEHOLDER MANAGEMENT AND COLLECTIVE VALUE CREATION: EMPLOYEE ENGAGEMENT POLICIES IN CORPORATE SOCIAL RESPONSIBILITY PRACTICES

GESTÃO DE STAKEHOLDERS E CRIAÇÃO DE VALOR COLETIVO: POLÍTICAS DE ENGAJAMENTO DE EMPREGADOS NAS PRÁTICAS DE RESPONSABILIDADE SOCIAL CORPORATIVA

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ABSTRACT

Based on Stakeholder Theory (ST), this study aims to understand how an organization creates value for all related parties through Corporate Social Responsibilities (CSR) practices while gaining legitimacy. To address this objective, a case study was carried out in a multinational company located in Brazil that is recognised for its CSR practices. Data were collected from documents and interviews. The study reveals how the engagement of internal stakeholders in CSR practices contributes to the creation of organizational value by promoting and sustaining the organizational legitimacy of a company as being socially responsible. The study highlights the contributions of employees, as an internal, latent, and expectant stakeholders, acting in different contexts. These characteristics can fluctuate, and this must be considered in managing relationships with stakeholders. One of the conditions that enable stakeholder engagement is the co-creation process of collective value; as a process that brings mutual benefits. However, at the same time, one of the outcomes of stakeholder engagement is the collective value.

Keywords: stakeholder management; corporate social responsibility; employee engagement; collective value creation.

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Resumo

Com base na Teoria dos Stakeholders (TS), este estudo tem como objetivo compreender como uma organização cria valor para todas as partes relacionadas por meio de práticas de Responsabilidade Social Corporativa (RSC) ao mesmo tempo em que ganha legitimidade. Foi realizado um estudo de caso em uma empresa multinacional considerada referência em práticas de RSC sediada no Brasil, com dados coletados por meio de documentos e entrevistas. O estudo revela como o engajamento dos stakeholders internos nas práticas de RSC contribui para a criação de valor organizacional, promovendo e sustentando a legitimidade organizacional de uma empresa como socialmente responsável. Destaca-se as contribuições dos empregados, como stakeholders internos, latentes e expectantes, atuando em diferentes contextos. Essas características podem flutuar, e isso deve ser considerado na gestão do relacionamento com as partes interessadas. Uma das condições que possibilitam o engajamento dos stakeholders é o processo de cocriação de valor coletivo; como um processo que traz benefícios mútuos. No entanto, ao mesmo tempo, um dos resultados do engajamento das partes interessadas é o próprio valor coletivo.

Palavras-chaves: gestão de stakeholders; responsabilidade social corporativa; engajamento dos empregados; criação de valor coletivo.

INTRODUCTION

In the context of organizations, the socially responsible attitude is manifested through Corporate Social Responsibility (CSR) practices, understood as the deliberate choice of companies to carry out actions that promote some collective social good beyond the company's interests and legal obligations (Mcwilliams; Siegel, 2001). On the other hand, according to Post *et al*. (2002), an organization's ability to generate value sustainably is crucial to preserve and maintain the relationship with stakeholders, considered interested parts. In this sense, it is possible to connect the legitimacy of an organization to its CSR practices, as a process of creating collective value, and the management of relationships with stakeholders.

According to Harrisson, Bosse, and Philips (2010), when the organization is dealing with value creation, it must direct attention to the needs and expectations of the primary stakeholders, as they are closely linked to the activities and objectives of the company. In this way, stakeholders are assigned a role beyond the utilitarian function in value creation processes. There are questions like: What would be the

meaning of value for distinct groups and how do companies deal with these relationships? (Garriga, 2014). Questions that have been present since the origin of stakeholder theory and bring the need for the constant search for new answers, since organizational contexts change and concepts related to the creation of value for stakeholders change too, because it is also known that “the meaning of value is diverse, as are the profiles of stakeholders” (Garriga, 2014, p.489).

From the perspective of creating value related to CSR, it is possible to approach Stakeholder Theory (ST), from its instrumental aspect (Donaldson; Preston, 1995; De Gooyert *et al*., 2017), realizing the benefits of management focused on the interests of stakeholders, directly and indirectly, involved in the company's activities. In this sense, to create shared value (Porter & Kramer, 2006), the relationships between a company and its stakeholders need to go deeper than just conducting commercial transactions (Freeman, 2010). In the view of Freundereich, Lüdeke-Freund and Schaltegger (2019), the proposal to create value for sustainability, from the perspective of ST, proposes to guide organizations towards greater involvement with sustainability, demonstrating, through the various dimensions of a business, how the parties are connected to essential value creation activities, with the identification of related stakeholder groups and providing transparency concerning shared values.

Tantalo and Priem's (2016) approach points to new opportunities related to value creation in organizations and highlights the link and mutual influence between stakeholders and an organization. In addition, regarding organizational attitude, Sulkowski *et al*. (2018) propose that organizations can assume the role of provoking stakeholders, going beyond the proactive attitude, in the sense of promoting engagement in order that systemic changes are catalyzed to stimulate the creation of conscience and collective sense in relation to sustainability. Therefore, for the management of relationships with stakeholders, in the organizational context, it is necessary to identify the main actors that participate in value creation processes, their interests, and motivations, to understand how and why these relationships are developed. This can point to new possibilities to engage other groups also related to value creation and the accomplishment of the organizational purpose (Freeman, 1984; Parmar; Freeman, 2010).

This study aims to analyze, based on Stakeholder Theory, how a company creates value for all related parties through CSR practices, while gaining legitimacy.

A case study was carried out at a Brazilian multinational known for its exemplary CSR practices. The study reveals how the engagement of internal stakeholders, as employees, in CSR practices contributes to the creation of organizational value by promoting and sustaining the organizational legitimacy of a company as being socially responsible, making this a collective value among different groups of stakeholders, since there is a process of co-creation of this value.

Despite the evolution of academic research on ST concepts, there are still few studies on organizational strategies involving CSR with stakeholder relationships and the achievement of organizational legitimacy (Sulkowski *et al*., 2018). The link between customers and CSR has been thoroughly researched (Edinger-Schons *et al*., 2020). From the management perspective, this article indicates how an organization can promote the engagement of internal stakeholders through specific policies and practices aimed at creating organizational value through the co-creation of collective values. Therefore, the study presents contributions to the understanding of value creation for the organization and multiple stakeholders simultaneously, from the development of employee engagement policies in CSR practices (Freeman *et al*., 2007; Freeman *et al*., 2004; Parmar *et al*., 2010; Tantalo; Priem, 2016).

Next, we are going to present the theoretical foundations that support this study based on the concepts of Stakeholder Theory (ST) and Corporate Social Responsibility (CSR), then, we explain methodological procedures and point out some specific aspects of the case. Right after, we discussed the results, and it ended with final considerations.

THEORETICAL BACKGROUND

Stakeholder theory (ST) presents models that enable the identification and classification of distinct groups of stakeholders, types of relationships and the respective interests with which the company establishes links in value creation processes. According to Freeman (1984, p.46) the term *stakeholders* mean "*any group or individual who can affect or be affected by the achievement of the organization's objectives*", evidencing the relevance of all relationships and bonds that are established by the organization. Adopting a stakeholder-oriented view means understanding that businesses create value through a human exchange process

involving different actors. It emphasizes the importance of understanding the behaviours of all those involved in organizational activities for the proper interpretation of the meanings of value for each stakeholder group (Freeman,1984; Freeman *et al*., 2007; Freeman, 2010).

STAKEHOLDERS CLASSIFICATION

To represent the context of business activities, Freeman (1984) points out the need to know the actors that interact in organizational environments, who are and how they behave. To represent his vision of the company's relationship with its stakeholders, he proposes a simplified model that has the company as a central element and eleven different groups around it: suppliers, government, local community, owners, consumer protection institutions, customers, competitors, press, employees, environmental protection institutions, and others specific groups. In this way, stakeholder theory proposes that a business organization must create as much value as possible for stakeholders and comply with the needs of multiple actors. In addition to generating profits and being sustainable over time, organizations must define value as something that is good. for all involved and as a central element in the strategy (Freeman, 1984, Freeman *et al*., 2007; Freeman, 2010).

Freeman's (1984) original model considers stakeholder groups independently and identifies them by their ability to affect or be affected by activities related to the organization's objectives. Clarkson (1994; 1995) initially suggests a classification into primary and secondary; however, it expands this proposition, with the classification according to the level of interdependence between organization and stakeholder, regulated by the existence or not of a formal contract. Primary stakeholders are those considered fundamental to the existence of the company, including shareholders and investors, as well as employees, customers, and suppliers, among others, such as governments and communities (Clarkson, 1995). Secondary stakeholders encompass a broader set of actors that can influence or affect primary stakeholders or are influenced or affected by the organization, such as the press and others, with a high level of interdependence (Clarkson, 1995). In this way, primary and secondary stakeholders, acting directly or indirectly, influence initiatives that aim to create value

for all parties involved through actions aimed at achieving the company's objectives (Freeman *et al*., 2007).

One of the possibilities for identifying stakeholders is based on criteria of power, legitimacy and urgency of expectations and needs, which determine the importance of the stakeholder for management (Freeman, 1984; Mitchell *et al*., 1997). The power factor indicates that the stakeholder can influence the organization by using coercive resources such as physical force or utilities such as technology, knowledge and money, or even symbolic resources such as prestige and social influence (Mitchell *et al.,* 1997). The legitimacy factor means acting with pretensions perceived as adequate within a system of socially constructed norms, values, beliefs, and definitions. Legitimacy depends on others' expectations and varies by context. The more the actions of an actor, an organization or a group are perceived as adequate, the more legitimate they are (Mitchell *et al*., 1997). The urgency factor refers to the need for immediate fulfilment of claims, which can cause considerable damage to the stakeholder if their fulfilment does not happen quickly. Once these three main factors were defined, Mitchell *et al.* (1997) identified seven distinct profiles of stakeholders (Table 1), pointing out its relevance and ability to influence the organization.

Table 1 – Stakeholders Classification

Stakeholder	**Type of Stakeholder / Attribute**	**Characteristics**
Latent	Asleep / Power	It has little or no interaction with the organization.
	Discretionary / Legitimacy	It has low influence power related to social responsibility.
	Demanding / Urgent	It has the potential to put pressure on the organization
Expectant	Dominant / Power and Legitimacy	It has power and legitimacy. It uses formal mechanisms in the relationship with the organization. It is relevant to managers.
	Dependent / Legitimacy and Urgency	It depends on the power of other stakeholders to enforce its claims

	Dangerous / Urgency e Power	It tries to impose its will
Definitive	Definitive / Power, Legitimacy e Urgency	It has a great ability to influence the organization's decisions and management. Prioritized relationship.
	Non-stakeholder	It does not influence and is not influenced by the organization.

Source: adapted from Mitchel *et al*. (1997, p. 874-879)

Latent stakeholders possess a single attribute and are typically not seen as relevant by managers, though they may become relevant under different circumstances. Expectant stakeholders have greater relevance. There are the definitive stakeholders at the intersection of the three attributes, who demand attention and priority treatment. There are also non-stakeholders, a profile without any relevant attribute (Mitchell *et al*., 1997, p. 874-879).

Regarding stakeholder management, Freeman *et al*. (2007), highlight the importance for an organization to create value with the involvement of a network of actors. In this way, ethical and fair relationships for business are emphasized. Furthermore, it is important to consider the involvement of primary and secondary stakeholders through the direct or indirect role of actors as influencers in initiatives that aim to create value for all parties involved with actions to achieve the company's objectives (Freeman *et al,* 2007).

Manage stakeholders also means engaging different stakeholders in a context of collective dialogue, without restriction to specific groups or groups closest to the company's management, while the organization's attention is directed to maintaining and monitoring everyone's satisfaction in alignment with the organizational purpose. In this context, it is known that an ethical corporate culture defines performance parameters based on principles, values, and norms that establish limits for activities related to economic, environmental, and social factors (Ferrel; Ferrel, 2009).

Thus, stakeholder management starts from identifying the attributes of each group, and it can be evolved through the engagement of stakeholders seeking to develop shared values. However, Whittington *et al.* (2011) stated that stakeholder engagement depends on organizational, societal, cultural, technological, and other conditions. And these conditions influence the adoption of CSR practices. As Høvring,

Andersen and Nielsen (2018) observe, CSR must go beyond the adoption of responsible behaviour and the organization's involvement with actors related to its productive activities, as it also involves the ability to dialogue transparently with a broader universe. For this, they suggest the engagement of stakeholders in strategic CSR processes through communication actions, since this resource can help the organization identify actions that can be performed and distinguish them from those that are idealized without feasibility conditions (Høvring *et al*., 2018, p. 640).

In this sense, Freeman *et al*. (2020) highlights the difference between a linear value chain, focused on the economic result and a value creation network, which aims at different shared purposes and values through an "interconnected and interdependent system to generate benefits and results for all involved", it requires the adoption of a systemic view of the business that serves the interested parties. Therefore, a value proposition to be sustainable, needs to involve stakeholders in processes related to value creation in organizations, and preserve the balance of interests of different stakeholders. (Freeman *et al.,* 2010; Frow; Payne, 2011; Freeman *et al*., 2020; Garriga, 2014; De Gooyert *et al*., 2017; Harrison *et al*., 2010; Harrison; Wicks, 2013).

CSR IN ORDER TO CREATE SHARED VALUE

The study about ST has evolved to broaden the understanding of new opportunities related to value creation in organizations based on synergy and mutual influence between multiple stakeholders in line with the themes of CSR and sustainability (Freudenreich *et al*., 2020; Tantalo; Priem, 2016). The activities of an organization are considered part of the CSR when "actions that promote some social benefits are carried out, in addition to the interests of the company and what is required by law" (Mcwilliams; Siegel, 2001, p. 118). CSR reflects an ethical approach, focusing on positive economic outcomes, social welfare, and environmental protection (Husted & Allen, 2007). Global pressures in the social sphere have demanded a proactive attitude concerning socially responsible actions with practices that show attention to issues related to sustainability (Pimenta; Gouvinhas, 2012).

Regarding the socially responsible organizational attitude, Sulkowski *et al*. (2018) propose that organizations can assume the role of provoking stakeholders,

going beyond a proactive attitude, in the sense of promoting stakeholder engagement so that systemic changes are catalyzed with the aim of stimulating the creation of conscience and collective sense in relation to sustainability. With the objective of generating value for all parties involved or impacted by organizational activities, it is understood that the adoption of CSR strategies depends on the management of relationships with stakeholders involving the creation of shared value (Carroll *et al.,* 2017).

Stakeholder pressure is an important mechanism for CSR adoption (De Abreu *et al*., 2015). In addition, the adoption of a socially responsible posture contributes to the construction of a positive organizational image and reputation (Odera *et al*., 2016). In this perspective, Aguilera-Caracuel *et al*. (2017) consider adopting CSR policies as a means of creating value that contributes to building a positive reputation because it can generate benefits for all stakeholders. Lourenço and Souza-Filho (2020) revealed that institutional and strategic factors positively influence CSR practices in a complementary relationship. Regarding the internal organizational context, there are several factors that can affect the strategic application of CSR, such as the alignment of business with the organizational culture, as well as with social needs and transparency (Porter; Kramer, 2011). Studies suggest that employees first perceive the positive effects of CSR activities, and this perception is important for increasing loyalty and reducing the internal turnover rate (Lee *et al*., 2013).

In CSR management, the actions are classified as implicit and explicit. Social responsibility is implicitly based on legal guidelines and regulatory systems. It is a reactive decision, not a voluntary or intentional choice by the organisation. On the other hand, explicit CSR is associated with corporate policies that aim at society's interests and address issues that are perceived as being part of the organization's social responsibility, as a reflection of an institutional environment and the organization's commitment to its stakeholders, consisting of strategies that combine social value and business (Carroll, 1979; Carroll *et al*., 1991; Matten; Moon, 2008).

Based on explicit social responsibility, Rodrigo and Arenas (2008) present the internal and external dimensions. The external dimension focuses on the community closest to the company or the place where it is located, through social actions (Passador, 2002; Rodrigo; Arenas, 2008), and it can increase investor interest, as

well as positive relationships with the government (Mcwilliams; Siegel, 2001). In the internal dimension, CSR supposes the improvement of the work environment and the interactions between the organization, its employees, and dependents. Internal management actions comprise programs for hiring, selecting, training, and retaining people, carried out by the companies, for the benefit of their employees and other programs aimed at profit sharing and assistance to their dependents.

Some companies also extend their network of internal social responsibility actions to employees of contracted and outsourced companies, suppliers, and partnerships. (Passador, 2002; Rodrigo; Arenas, 2008). It is worth noting that, by transcending exclusively economic interests, the organization can generate motivational and commitment implications (Turker, 2009; Jamali, 2014). When employees perceive that a company takes CSR as the basis of its business practice, this perception influences the way employees think and behave, expanding to engagement with the company itself (Sthapitanonda, 2019).

To incorporate CSR into business strategy, it is necessary to consider changes beyond the discourse. The actions must be disseminated in operation, influencing aspects of the organizational culture, and obtaining employee engagement at this time. (Rosolen; Maclennan, 2016). By conducting CSR practices, a company creates opportunities for employees to meet and interact both outside the company and with colleagues from other areas of the organization. As well, the possibility of using each one's experience for a purpose other than their daily work is a motivating factor that generates employee retention (Preda, 2019). In addition, in relation to CSR management, ST highlights the organization as a central element of the relationships between distinct groups of stakeholders relevant to the creation of value (Freeman *et al*., 2007; Savage *et al*., 1991).

CSR is considered strategic when associated with the development of tangible and measurable initiatives to establish a positive relationship between the actions carried out and the results obtained by it, involving the management of relationships between internal and external groups linked to the operating context of the organization and its performance. (Clarkson, 1995; Husted; Allen, 2007; Porter; Kramer, 2011). Finally, it is highlighted that, in this study, a cut is made about policies and practices that involve employees, considered internal stakeholders, in explicit and external CSR practices. The following section presents the methodological

procedures adopted in this study.

METHODOLOGICAL PROCEDURES

The research strategy adopted in this study was the Single Case Study that could reveal in-depth evidence about the phenomenon studied (Yin, 2014). For this, we sought to identify a company that met the criterion of being considered socially responsible and reputed to be an excellent company to work for. The publication of the Social Balance and CSR reports and the qualification in rankings such as Great Place to Work and Glassdoor for good companies to work for served as indicators for choosing the case.

The LABS (fictitious name) started its activities in 1972 in Germany and today operates in 130 countries in information technology. About CSR, since 2009, LABS has incorporated in its long-term strategy the orientation towards economic, social and environmental sustainability and, in 2019, assumes the orientation towards innovation and sustainability as strategic positioning. Company documents show that its core values aim to create value, supporting environmental sustainability and diversity. LABS has a CSR Global Governance Committee with an exclusive structure and employees, composed of executive representatives from different areas of its board, with the objective of advising and approving strategic guidelines oriented to the global CSR mission.

In the company's CSR structure, there are regional CSR governance committees, composed of regional leaders dedicated to CSR practices and which have volunteer leaders from different areas in all units globally. These leaders are responsible for advising and approving partnerships and local initiatives in LABS's main regions. We chose several Brazilian leaders to interview. In this way, primary data were collected through in-depth interviews with employees (see Table 2). This stage involved representatives from different positions and areas involved in some social program or project in Brazil. Nine interviews (identified by the letter E) were carried out by the researchers with professionals from different areas, positions, and time working in the company. The themes considered as the basis of the analysis are identification and description of CSR policies and practices, understanding of the

effects of these issues on the behaviour of employees and the generation of value for the company and other actors.

Table 2. List of interviewees

Nº	Working time in the company	Occupation	Role in CSR actions
1	3 years	engineer	CSR Volunteer - Diversity & Inclusion (DI)
2	4 years	analyzer	DI group leader - Black Employee Network (BEN)
3	7 years	analyzer	DI group leader
4	4 years and 6 months	analyzer	Group volunteer - DI and Pride & Business Woman Network (BWN)
5	1 year and 6 months	engineer	DI group leader - Differently About People (DPA)
6	1 year and 10 months	analyzer	DI Group volunteer - DPA, PRIDE & Culture
7	9 years	analyzer	Leader RSC
8	3 years	analyzer	DI group leader - Generation
9	13 years	manager	RSC and DI volunteer. She was once the leader of the BWN

Source: research data prepared by the authors.

Secondary data were collected from 150 sources, including social networks, institutional websites, reports, presentations, and published testimonies. From this material, the employees' statements about their experiences with the social practices carried out stand out. Twenty-three statements were collected (identified by the letter D) referring to social practices, such as TechSchool Social, Latin Code Week, Solidarity Month, I Citizen, among others. The primary and secondary data were analyzed in its content with the support of the Atlas.ti software, version 8. The analysis categories were established inductively (Vergara, 2005) to examine employee

engagement and their contributions to value creation through CSR practices, emphasizing the involvement of internal stakeholders in organisational legitimacy. We also have identified organizational factors that enable internal stakeholder engagement in CSR practices.

ANALYSIS AND DISCUSSION

The analysis focus on the implementation of CSR policies and practices, the volunteering practices, the diversity and inclusion practices, the engagement of internal stakeholders and the organization's legitimacy for the creation of shared value.

Corporate Social Responsibility: policies and practices

As stated in official company documents, 52% of projects in 2019 that involved volunteers had employees supporting inclusive education programs, workforce readiness, and social entrepreneurship programs, highlighting the importance of internal stakeholders for CSR actions. Globally, LABS supports 1,576 non-profit organizations and social enterprises in 80 countries. Through volunteer programs and partnerships developed in the social sector, the company estimates that there was a positive impact on more than 6 million lives in 2019 and 8.3 million in 2020.

The programs for developing digital and coding skills trained 56,000 teachers and involved 4.5 million people and vulnerable young people, in 105 countries in 2019. In 2020, digital skills and coding programs trained 117,000 teachers, involved 2 .3 million young people and covered 113 countries. LABS' CSR practices are related to the company's business and seek social causes for which the company could be part of the solution. (Mcelhaney; Whitehead, 2009). In economic terms, socially responsible behaviour is a sign of business efficiency, as it adds value to the company and its products (Adams; Zutshi, 2004; Mababu; Mikiur, 2010).

In Brazil, CSR actions involve volunteer work in projects that prioritize punctual and short-term results, such as, for example, actions in schools, daycare centers and nursing homes; in education, with courses and professional training, especially for public-school students; and entrepreneurship to support start-ups in the region.

According to data from the interviews, the structure that drives CSR practices in Brazil is different from other LABS units, as the actions are coordinated by two CSR leaders for each of the three strategic drivers. The other employees act as volunteers, regardless of responsibility, they are appointed as “ambassadors”, that is, they are not employees exclusively dedicated to the management and execution of CSR practices. In Brazil, volunteer employees focus their efforts on cities with company units.

Volunteering policies and practices

A policy practiced at LABS Brasil is releasing 10% of the employee's monthly work time to carry out social practices in LABS' international projects. According to the interviews, there is a limiting percentage of time that can be dedicated to volunteer work; however, there is flexibility if the employee's voluntary activity does not harm the professional activity. This orientation is considered a good management practice and, even informally, is commonly shown in leaders' attitudes. Below are excerpts that illustrate how this company policy manifests itself in practice:

> “It's a multinational that allows you to spend 10% of your time, but most employees spend 30%. Handing over the main task there is no restriction. That's why I'm involved in so many projects… using more than 10%.” (E1).

> *“*In fact, there is nothing controlled [...] this is usually agreed and evaluated between the leader and the led. For example, as soon as I joined, I got involved in a social practice that held courses for the elderly. I dedicated at least 4 hours of my week teaching classes and going to the scene of the action. And besides me, there were many colleagues who did the same, because there is a lot of encouragement, there are many examples and many activities to participate *in."* (E6).

It is noteworthy that in the management of relationships with internal stakeholders from CSR practices, when the organization allows a certain informality in control, this enables the spontaneous involvement of employees and the construction of shared values that will reflect on organizational legitimacy. At the same time, it improves the engagement of the internal stakeholders.

Diversity and inclusion

Integrated to the CSR are the diversity and inclusion practices (DI), through which companies affirm an ethical and social commitment to society, promoting values and practices that are contrary to discrimination against people and that promote reflections and changes in the business context, seeking to the end of racism, homophobia and other prejudices (Santos et al., 2018). The valuation of the teamwork and their creativity are essential to the company's business. In this sense, policies and practices aimed at diversity and inclusion (DI) are promoted, which gravitate between the human resources management strategy and CSR management projects.

In the following statements, collected from company documents, the three main points of LABS' global strategy related to diversity, accessibility and inclusive careers are described. The first aim is to promote diversity among employees and partners; the second is to ensure environments are accessible for everyone; the third is to attract qualified professionals and support employee development.

> “Employees look at your actions, not what you say. Diversity must come from top to bottom.” (D2).

> “The Diversity and Inclusion theme is part of the company's strategy at all levels of the organizational structure, and it comes from our board that is defined in the head office [...]. And, apart from the strategy, there is a very human engagement.” (D3).

> “We have Pride aimed at the LGBT population, we have the BEN Black Employee Network for the black population, BWN – Business Woman Network for women, we have the DAP (Differently Abled People) for people with disabilities, [...] I used to have a group called Autism Networking for autistic people. DAP is a group for disabled people with different abilities, so it has promoted awareness actions and Talent Acquisition to seek people with disabilities to work as well.” (E2)

One of the CSR practices is the creation of working groups aimed at promoting diversity and the inclusion of different profiles and minorities in the internal corporate environment. The objective is to guarantee representativeness among the employees and to act in the engagement of internal stakeholders in order to promote inclusion and anti-discrimination policies.

Stakeholders' engagement and value creation.

The data analysis suggests that one of the factors responsible for stimulating the engagement of internal stakeholders, in the case of employees, is related to the organizational culture, which is reflected in the appreciation of CSR and in the creation of an environment that encourages employee participation without tying the formal obligations of the positions or performance evaluations. One of the examples highlighted in the interviews was the global group named CSR - Corporate Social Responsibility.

> "The CSR itself is made up of people from all areas, it is not a specific team that is paid for it. I, for example, work in the Technology and Support area and have a lot of engagement with the CSR" (E9)

> "Within the team, there are KPIs that measure our performance, but I am not evaluated by the assignments I do socially. I volunteer at CSR and it brings me visibility, but my work is not evaluated for that. (E5)

At the intersection of organizational environments, employees cross the limit of the internal environment to act externally as representatives of the company and as agents of social transformation in a context of shared and collective value creation. Therefore, as an interested party impacted by the activities of organizations, society has expectations in relation to socially responsible behavior and results of the companies' business activities, and employees act decisively towards another stakeholder, the society.

> "LABS does a lot of external events; we participated in talent fairs. We recently participated in a high school science fair. In these events we show that LABS is an inclusive and open place." (E7)

It is noteworthy that the organizational attitude towards the engagement of internal stakeholders, from the perspective of analysis related to the CSR focus, is initiative-taking in some situations, but also provocative in the identification of necessary systemic changes (Sulkowski *et al*., 2018). In any case, there seems to be a reciprocal identification between the different internal stakeholders: employees and management, which allows for the co-creation of values.

> "The goals come from '*above'* and the actions to reach these goals

> are developed by the groups, but according to the vision that was passed on by the leaders. (E6)
>
> "I use a pin on the badge string as identification and we have done all the actions inspired by these challenges, such as ending poverty, having gender equality. (E1)

As suggested by the concept of "stakeholders enriched" (Bondy; Charles, 2018, p. 13), inspired by the interrelationship of the concept of "interconnected self" by Freeman and Auster (2011), combined with the sense of belonging (Charles, 2012) and Young's (2011) definition of a social group, the LABS case study demonstrates that organizational culture defines the way a socially responsible company behaves, and contributes to the co-creation of collective value that benefits employees professionally and also personally; these conditions are a factor of engagement in CSR activities.

> "I entered already wanting to participate, perhaps because of my life story. I've always been socially focused. It's already my profile! So, I joined the company, and I went looking for information. But internally, there is a newsletter where all actions are disclosed. It shows the purpose and the result. So, whenever an action is taken, it is well publicized by the company both internally and externally, it shows how many people were reached by a certain action. What was the purpose and whether it was actually achieved." (E7)
>
> "I'm leading projects, I'm putting all the part of leading the project from start to finish into practice. Leading groups, so I'm also learning to lead people. If I want to lead people one day, working with social media allows me to generate empathy, connections... these are all skills I will use in my career." (E2)

Another factor that must be considered is the identification of people with social causes, which is decisive in arousing the desire to be involved as a volunteer in external social actions, which connect the internal environment with the external environment, favoring the co-creation of collective values. The ST highlights the complexity of an organization's interrelation with heterogeneous groups of actors in a "human process of value creation and exchange" (Freeman, 1984, p. 25). It is understood that other actors have also come to be recognized as relevant parties in the realization of a purpose that aims to satisfy collective expectations, needs and interests, being a strategic driver of initiatives that make the company's reason for existing tangible and that influence important perceptions for the construction of a

good reputation (Freeman *et al*., 2020).

> "The purpose and vision of LABS is already focused on social practices. LABS' purpose is to make companies better, ... to help the world. We already enter with the purpose of making things better." (E8)

In addition to demonstrating coherence in its discourse, the company asserts its credibility and conquers legitimacy related to social causes, because it works inside and outside the organizational environment to integrate internal and external stakeholders in the generation of mutual benefits. In this sense, in relation to LABS' CSR practices, it was identified that because the company is involved in different causes, this provides multiple possibilities for employees to identify themselves, according to their own interests, thus being stimulated by the desire to engage with the support of internal policies that enable these activities. The approach to employee engagement in CSR practices highlights the need for transparency, access to information and dialogue, because these factors are essential to foster the co-creation of collective benefits (Prahalad; Ramaswamy, 2004).

The context investigated allowed us to identify the role of employees as internal stakeholders, but with a broader dimension, because it was found that the transposition of limits occurs when employees act on behalf of the company in an external environment. Based on the ST, the LABS case study demonstrates how a company can "involve stakeholders and create value for all of them" (Freeman *et al*., 2020. p. 217), but also, how the limits to the performance of stakeholders can be broken depending on the role that they play in different contexts, framing a network of collective value creation.

In an organizational context that promotes a constant and spontaneous relationship with its stakeholders, located inside and outside the organization, there is a collective space for interaction between actors to share experiences and manifestations of those who actively participate in exchange relations. As Freeman, Phillips and Sisodia (2020) highlight, the difference between a linear value chain focused on economic results and a value creation network, which aims at shared purposes and values, through an "interconnected and interdependent system" that each stakeholder must be a means and an end". To generate benefits and results

for all, the value creation network requires the adoption of a systemic view of the business, to meet the company's objectives and the needs and expectations of stakeholders (Freeman et al. 2020, p. 217).

According to Schaltegger, Hörisch and Freeman (2019), creating sustainable business cases depends on a context capable of composing “value packages”, that is, understanding the meanings of value for stakeholders and making them compatible with organizational objectives. As far as this view refers to CSR, the LABS case study confirms this understanding and shows that it is not possible to talk about implementing CSR strategies disconnected from the organizational purpose and collective interests. In the same way, one cannot speak of an organizational context that promotes the creation of synergy between internal and external environments without transposing the internal limits, because the generation of collective benefits is beyond individual territories. From the analyzed data, it is possible to affirm that employees are relevant stakeholders that oscillate between latent and expectant, with legitimacy and urgency, being able to influence the company's strategic decisions (Mitchell *et al*., 1997). In this way, through CSR practices, the company creates value for internal stakeholders at the same time that the engagement of these stakeholders in these practices contributes to the creation of value for the company vis-à-vis other stakeholder groups, demonstrating a value co-creation network. Co-creation, an aspect of stakeholder relationship management, demonstrates how engagement can produce collective value (Cooren, 2020; Wenzel *et al*., 2020).

FINAL REMARKS

The study presents answers regarding stakeholder management and collective value creation through the company's CSR practices that enable effective internal stakeholder engagement. As the analysis suggests, the role of the employees, as an internal stakeholder group, when it comes to CSR actions, is not limited to the internal environment of the company, since the practices not only occur in the external environment, but also generate effects for society. From this perspective, the study highlights the relevance of employee engagement in CSR practices to develop synergy between internal and external actors (Bondy; Charles,

2018), while the company generates and shares value, conquers legitimacy in its socially responsible posture and adds positive aspects to its reputation. In addition, to the extent that there are common interests, there is the co-creation of collective values.

CSR should not be viewed as a standalone effort; involving internal stakeholders helps validate the company's narrative and actions externally. However, implementing internal policies that enable the connection between environments, allowing employees to function as representatives of the company and agents of transformation, is essential for this integration, highlighting the management of relationships with stakeholders. By contributing with their expertise and dedicating their time to the company's CSR practices, employees ratify the image of a socially responsible organization, while at the same time providing individual and social benefits.

The ST proposes different perspectives for classifying stakeholder groups related to organizational contexts, and, as stakeholders in organizational success, all of them are relevant in the implementation of CSR strategies. The analysis indicates that variations in stakeholder attributes should be taken into account. Thus, the theoretical contribution of this article is to highlight the contributions of employees, as an internal, latent and expectant stakeholders, acting in different contexts of interaction with other stakeholders, both internal and external, and these characteristics can fluctuate, and this must be considered in managing relationships with stakeholders.

As for the managerial contributions of this study, regarding the development of CSR strategies, it is understood that the ST can support directions to the stages of planning and implementation of strategies, because it brings together concepts that allow the classification of stakeholder groups and the identification of their respective meanings of value, essential for their management and engagement. It was identified that volunteer work allows employees to achieve personal satisfaction and also as citizens, in CSR activities that are promoted by the company.

The research findings demonstrate the complexity of CSR and the dynamism of relationships between stakeholders, involving issues related to the company's culture and its influence on the definition of internal policies and decisions on investments of human and economic resources in CSR practices. It also presents

contributions to the identification of tangible and intangible value meanings for employees related to personal satisfaction. If an organization aims to redefine its role in society, CSR becomes strategic, and as such, it involves planning and managing policies and practices that make it possible to establish relationships between multiple stakeholders based on values that can become collective.

The limitation of this study is due to the fact that data related to employees who do not participate in CSR actions were not collected, so it was not possible to have a holistic analysis of this group of internal stakeholders and their different perceptions about personal and organizational values. In this way, future studies can expand this analysis, in addition to including other stakeholders involved or affected by CSR actions in order to broaden the understanding of the synergy between multiple stakeholders and the creation of shared value through CSR. In addition, engagement in CSR practices is based on the values of social responsibility, improving the world and promoting good deeds, future studies may also investigate the process of formation and communication of these values at an organizational level considering other cultures, since this study evaluated data collected in Brazil.

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