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GLOBAL SOURCING AND CORPORATE SOCIAL RESPONSIBILITY: ANALYZING HOW GLOBAL COMPANIES CONTROL SOCIAL RESPONSIBILITY IN ITS SUPPLIERS

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GLOBAL SOURCING AND CORPORATE SOCIAL RESPONSIBILITY: ANALYZING HOW GLOBAL COMPANIES CONTROL SOCIAL RESPONSIBILITY IN ITS SUPPLIERS

Trabalho de conclusão de curso de graduação, apresentado à Area de Ciências Sociais, curso de graduação em Comércio Internacional da Universidade de Caxias do Sul, como requisito parcial para a obtenção do grau de bacharel em Comércio Internacional.

Orientador Prof. Dra. Fernanda Lazzari

Dedico este trabalho à minha família,
por seu apoio incondicional.

Por vezes sentimos que aquilo que fazemos não é senão uma gota de água no mar. Mas o mar seria menor se lhe faltasse uma gota.

Madre Teresa de Calcutá

RESUMO

O presente estudo desenvolve uma análise em torno de estratégias de fornecimento global e responsabilidade social corporativa, estritamente como empresas globais controlam responsabilidade social corporativa em seus fornecedores internacionais. Para tanto, buscou-se conhecimento nas áreas de estratégias globais, responsabilidade social corporativa e iniciativas de organizações mundiais voltadas ao desenvolvimento sustentável. Este estudo tem como objetivo principal observar como empresas globais controlam a responsabilidade social corporativa em seus fornecedores internacionais. Esta pesquisa é qualitativa exploratória e o método escolhido para a coleta de dados é entrevista semiestruturadas. Os entrevistados foram selecionados por conivência, se tratando de executivos da área de compras de seis empresas da Serra Gaúcha. A partir disso, chegou-se à conclusão de que estas empresas globais fazem o controle em seus fornecedores avaliando certificados e fazendo visitas recorrentes. Também se conclui que responsabilidade social corporativa influência investidores de empresas de capital aberto e fechado, tornando-se assim uma iniciativa indispensável nos dias de hoje.

Palavras-chave: Estratégia de Fornecimento Global. Responsabilidade Social Corporativa. Sustentabilidade.

ABSTRACT

This study develops an analysis around global sourcing strategies and corporate social responsibility, strictly how global companies control corporate social responsibility in their international suppliers. To this end, knowledge was sought in the areas of global strategies, corporate social responsibility, and initiatives of global organizations focused on sustainable development. The main purpose of this study is to observe how global companies control corporate social responsibility in their international suppliers. This research is qualitative exploratory, and the method chosen for data collection is semi-structured interviews. The respondents were selected by collusion, being executives from the purchasing area of six companies from Serra Gaúcha. From this, it was concluded that these global companies control their suppliers by evaluating certificates and making recurring visits. It was also concluded that corporate social responsibility influences investors in publicly and privately held companies, thus becoming an indispensable initiative nowadays.

Keywords: Global Sourcing Strategy. Corporate Social Responsibility. Sustainability.

LIST OF FIGURES

LIST OF ABBREVIATIONS

CSR	Corporate Social Responsibility
ESG	Environmental Social Governance
ISO	International Standards Organization
MDG	Millennium Development Goals
UN	United Nations
UNGC	United Nations Global Compact
SDG	Sustainable Development Goals

SUMMARY

1 INTRODUCTION

Companies around the world are increasingly looking for growth, but with globalization and the media playing a very strong role in business relations, some practices that were held in the past are no longer in harmony with current practices. Corporate social responsibility is a way that organizations can maintain ethics, sustainable development, and fair practices. This concept is increasingly part of the daily lives of companies around the world. Access to information has made companies more concerned about their image and the impact their actions have on the community where they are located.

A lot of stakeholders, including shareholders, non-governmental organizations, consumers, trade unions, international organizations and public authorities are showing increasing interest in social and environmental matters associated with international business (ANDERSEN, 2009). Therefore, companies have a responsibility to society where it is installed. The responsibilities that an organization has to society will be addressed, as well as international initiatives that international organizations created as a stimulus for companies to adopt in its day-to-day basis practice that promote sustainability, conduct and sustainability strategies.

In order to deepen this subject, this academic work is structured in five chapters. In chapter one, the delimitation of the problem and the objectives are presented. In the second chapter, the theoretical background is brought to light. The third chapter exploits the methodology in which the research is based. The fourth chapter explores the results of the method chosen and the fifth chapter presents the result analysis regarding the research. The sixth chapter presents the final considerations and suggestions for further research.

1.1 Problem delimitation

Even though global sourcing is a very profitable strategy in the long run, if used the wrong way, in other cases, companies may encounter public relations issues along the way. In 2012, a factory that was employed by Walmart caught fire and 112 workers died and more 150 were injured. The factory was located in Dhaka, Bangladesh and was a textile factory that manufactured t-shirts, polo shirts and fleece jackets (SYMONDS, 2012). Briefly before the fire happened, the factory got a seal of legitimacy for factories that complied with international labor standards (LUND-THOMESEN, 2013). In 2015, a dam holding residue from an iron mine collapsed in Brazil. Sixty-two million cubic meters of mud and polluting materials were thrown in the Atlantic Ocean killing thousands of fishes, destroying a lot of villages that were in the way in what is considered the biggest environmental disaster of Brazil. The company responsible is called Samarco, a Brazilian mine company that together with Vale do Rio Doce and BHP Billiton formed a joint venture to exploit mineral ores in Brazil and Australia. Later, in 2019 another dam belonging to Vale collapsed leaving 259 dead, 11 disappeared and countless losses to the environment (LIMA, 2020).

A lot of other cases like the ones above happened over the years, showing that sometimes multinational companies are not a hundred per cent aware of what the outsourced supplier is doing, or they believe that their malpractice will never be public. These types of accidents are most likely to happen in emerging countries, because it is more advantageous to subside and outsource to Asia or South America, for example. These are also the countries that do not show a stable justice system and frequently do not see the punishment coming through for big multinational corporations.

With globalization and having more access to information quickly, the world consolidated the idea that companies should assume a broader role in society than just wealth creation and maximization of profits. Corporate social responsibility came to be a complementary strategy to global sourcing and other strategies adopted by multinationals and enterprises all over the world. Given the above, there is the following research

question: how companies control corporate social responsibility among its suppliers in a global setting?

1.2 Objectives

The topic described above aims to achieve a general objective and a few specific ones.

1.2.1 General objectives

Analyze how companies control corporate social responsibility among its suppliers in a global setting.

1.2.2 Specific objectives

To achieve the general objective, the following specific objectives were established.

a) Select a group of international organizations with recognized performance in corporate social responsibility

b) Identify the indicators of corporate social responsibility that organizations seek to achieve in the supply chain

c) Analyze practices that companies adopt to assure the rules of corporate social responsibility with the suppliers

2   THEORETICAL BACKGROUND

This chapter discusses the main theoretical contributions of authors who have carried out different studies and concepts on the dimensions of this research. It also addresses international initiatives about research. It basically defines the subjects regarding international strategies, standards and guidelines to social responsibility.

2.1 Global sourcing

Global sourcing is a strategy that started to become famous in the corporate world in the 1960's. Globalization is one of the reasons this strategy started to be used. Companies realized that outsourcing would bring competitive advantages and would help cost savings. Sourcing is the process of locating and employing suppliers, it has always been a purchasing a supply management function.

Global sourcing is the acquisition of products and services from independent suppliers or subsidiaries from its own company located in a foreign country for consumption in the origin country or a foreign one. [...] It is an entry strategy that involves outsourcing of specific manufacturing or services with a branch from the own company or with independent suppliers. Global sourcing is a low control strategy in which the focal company works with independent suppliers through contracts, instead of buying its own company subsidiaries (CAVUSGIL et al., 2010).

The decision to adopt a global sourcing strategy relies on whether the company should internalize or outsource an activity. Firms usually internalize activities in the supply chain that they consider part of the core competitiveness. Formally, outsourcing refers to the procurement of an external supplier that is going to add value to products or services. Outsourcing usually happens when a company cannot be competitive in every step of the process, therefore deciding to outsource the activities that are better developed by another company. This usually means buying components or the final product at a lower cost. The goal of outsourcing is to benefit from both the supplier and the firm's own competitiveness in the market (CAVUSGIL et al., 2010).

Kotabe and Murray (2004) emphasize logistical management of the interfaces of R&D, manufacturing, and marketing activities on a global basis, which defines to them the global sourcing strategy. Also, the importance of retaining the company's capability and gaining access to the suppliers' capability to design major components and developed products. This allows the company to have a better understanding of the quality and cost implication of its sourcing relationship with suppliers.

Monzcka and Trent (2003) defines global strategy as worldwide integration between engineering, operations, logistics, procurement and marketing within the upstream portion in a firm's supply chain. The author proceeds to say that it is different from a narrow approach to purchasing. Executive leaders, the development of global sourcing processes, approaches and strategies can be the next performance breakthrough.

Firms look for international sourcing strategies when worldwide competition has increased or as a protective strategy to achieve competitive advantages. Instead of concentrating activities that add value only in one country, companies can assign activities all over the world for cost saving, reduced delivery time, access to better means of production and to obtain maximum advantages towards competition. All executives report that these are the advantages of adopting a global sourcing strategy (MONZCKA AND TRENT, 2003). Other reasons for adopting an international sourcing include the introduction of competition in the domestic market, establishing a presence in a foreign market and increasing the number of available sources (CAVUSGIL et al., 2010).

Just like it happens with other international entry strategies, global sourcing offers a lot of benefits but also challenges to the company. Since global sourcing strategy is a low control international strategy, it implies that the identification, selection, negotiation and monitoring of the chosen business partner are critical to success. Another thing that can have a negative impact when adopting this strategy, are currency fluctuations. When thinking of reducing cost, most companies think about an emergent country. However, countries that are still undergoing development show a lot of unstable politics and may have a weaker currency that can be affected if it gets valued on the market (CAVUSGIL et al., 2010).

2.2 Corporate social responsibility

The relationship between companies and society is based on a social contract that evolves with social changes and the consequent expectations. In this contract, society legitimizes the existence of the company, recognizing its activities and obligations, as well as establishing legal limits for its performance. Society has the right to change business expectations as an instrument of society itself (BERTONCELLO, 2007).

Moon (2017) states that corporations contribute substantially to the world's biggest social and environmental problems, such as water scarcity, violation of human rights, corruption and deforestation due to its increased size and reach. The author proceeds to say that despite the problems they cause, (as the ones mentioned above), corporations with global supply chains are also seen as part of the solution. In 2015, the United Nations (UN) set Sustainable development goals, which targets safeguarding, poverty, ensuring sustainable management of natural resources and gender equality. The UN relies on the big corporations to mobilize resources and spontaneously adhere to the new standards stipulated. Which can also create a problem, given that it promotes our dependence on private institutions (MOON, 2017).

With the advent of globalization, regulating business has become a challenge. According to Moon (2017), there is an inequality between the flexibility of multinational corporations to spread their value chain activities across different countries and the limited capacity of civil societies and nation states to adequately regulate corporate conduct across borders. Scherer and Palazzo (2005) call it the regulatory vacuum. This vacuum exists because the government jurisdiction is stronger inside its borders rather than outside, while companies are becoming each day more transactional. Therefore, the actions that individual governments can take are limited towards environmental and social problems that are happening beyond the border. Political institutions, such as the UN or the World Bank, do not have the appropriate power to enforce and develop bidding rules or sentencing corporations for misconduct. These worldwide institutions fall short when it comes to regulating non-state actors. Treaties and conventions are designed to provide a list of actions that should be taken by companies to become more sustainable, for example, but it cannot obligate them into taking these actions.

Therefore, Corporate Social Responsibility (CSR) is an alternative and more realistic way to regulate oversight of private actors in a global economy, especially on the matter of international and national jurisdiction that continues to be limited in many aspects. CSR offers orientation for companies that are thinking about their environmental and social responsibilities. Companies that are looking into going global may want to research this and introduce it into the company, since the global field is characterized by a heterogeneous series of interests, norms and values. In emergent countries or places where democracy is not adopted, citizens may rely on organizations to solve problems that the government cannot solve and be much more effective than the political system.

Bowen (1953) first approached this issue, calling it the social responsibility of the businessman; he defined this concept as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society." (BOWEN, 1953). Carrol (1979) and Scherer and Palazzo (2005) argue that this is not the most accurate definition to this concept, but the book Social Responsibilities of the Businessman, published in 1953, was a landmark to this subject.

Complementary, Carroll (1979) states that: "to fully address the entire range of obligations business has to society, it must embody the economic, legal, ethical and discretionary categories of business performance" (CARROLL, 1979). Carroll (1979) states that corporate social performance calls for three actions: (i) first a company's social responsibility needs to be evaluated; (ii) second, the social concerns must be identified; and (iii) third, a response philosophy must be chosen.

Recently, Moon (2017) says that CSR is not about philanthropy, even though it may start the process as such. CSR goes deep into the corporation, it influences day-to-day activities, business processes and it is aligned with the company's core strategy. He continues to say that philanthropy may be a separate activity within the company, while CSR is about reflecting on the social, environmental, and ethical impact of those activities. It does not necessarily mean it is a strategy, CSR is about being fixed into the day-to-day and influencing the firm's strategic direction. Chandler (2004) has another perspective to conceptualize CSR:

> The entirety of CSR can be discerned from the three words this phase contains. CSR covers the relationship between corporations

(or other non-profit organizations) and the societies with which they interact. It also includes the responsibilities that are inherent on both sides of these ties. CSR defines society in its widest sense and on many levels to include all stakeholder and constituent groups that maintain an ongoing interest in the firm's operation.

Nevertheless, the literature is very clear to say that CSR is a very broad concept that can be applied differently by different groups of people. It can change its meaning depending on the continent and each firm will have its own approach to this. This makes it difficult to set stone in a concept. However, Moon (2017) states that it cannot always be a voluntary option for some industries. Some segments, for example oil, chemical and tobacco, have industry wide standards that are implicit obligations just for being a part of those societies.

2.2.1 Core characteristics of corporate social responsibility

In this chapter, the most pertinent characteristics of CSR are going to be presented. As stated before, CSR has a large concept that can be used in a lot of different ways by different companies, therefore these are the main features that aim to be reproduced in academia or corporate executive members in firms around the world. Crane (2008) states that there are six core characteristics: (i) voluntary, (ii) managing externalities, (iii) multiple stakeholder orientation, (iv) social and economic alignment, (v) practices and values, and (vi) beyond philanthropy.

Voluntary consists of activities that go beyond what is prescribed by the law. Although business for responsibility emphasizes CSR as a legal conformity, many firms are used to going beyond the minimum stated in the law. These companies already know what they have to do in order to prevent any other type of regulation that might come across. To define externalities, Crane et al. (2008) states that:

Externalities are the positive and negative side-effects of economic behavior that are borne by others but are not taken into account in a firm's decision-making process and are not included in the market price for goods and services. Pollution is typically regarded as a classic example of an externality since local communities bear the costs of manufacturers' actions. Regulation can force firms to internalize the cost of the externalities, such as pollution fines, but CSR would represent a more voluntary approach to managing

externalities, for example by a firm investing in clean technologies that prevent pollution in the first place.

Multiple shareholder orientation, according to Crane et al. (2008), involves considering the range of people that the company can reach. The presumption that firms only have responsibilities towards shareholders is not usually contested, but a firm is not only made of shareholders. The stakeholder definition includes clients, employees, suppliers, the local community to obtain success in business. Stakeholders are the reason a company is alive, and CSR is also about making people comfortable working for the company and making shareholders feel proud about where they are investing their money.

Alignment of social and economic responsibilities is the balance between the different stakeholders in a business. While CSR is about going beyond only focusing on shareholders and profitability, it should not conflict with profitability. Carroll (1979) stated that economic responsibilities are the major responsibility of a business. He believes that before anything else, a business is the basic economic unit in our society, and it has a duty to provide a product or a service and sell it at a profit. Carroll (1979) believes that all other business values are based on this one.

Practices and values are about business practices and strategies that deal with social issues. However, a lot of people say that it is about more than that. In other words, they believe it should be a set of values or philosophy that sustain these practices. Once again, the concept of what CSR should be bumps into different definitions and worldwide organizations can never agree to one concept.

Crane et al. (2008) states that the last core value of CSR is that it goes beyond philanthropy. In some places of the world, CSR is mainly about philanthropy. However, the current debate around this subject is about more than just helping the less privileged. It is about the entire company's operations and the impact it has upon society. The core business functions should be integrated into normal practice rather than just being a discretionary activity.

These are some of the most important characteristics CSR should have in a company.

2.3 International initiatives for corporate social responsibility

The United Nations (UN, 2021) was born in 1945 in San Francisco, California. Fifty countries gathered at the United Nations Conference because they wanted peace. In that year they signed a draft, and this is how another international institution was created. After the war, the UN focused its efforts on rebuilding the most affected countries. Nowadays, it is an instruction that focuses its efforts on humanitarian aid, international law, human rights, sustainable development among other things. In the beginning of the century the UN launched an initiative called Millennium Development Goals (MDGs). This initiative was aimed towards global development, consisting of eight goals. The eight objectives were directed to the biggest problems found around the world in the beginning of the century, with hunger, poverty, equality of gender, reduction of infant mortality are some of the principles mentioned. Poverty being the most alarming one; the UN (2021) website states that in the beginning of the century 40% of the population was living in poverty. In order for this initiative to work, the UN held summits to monitor how these principles were being developed within nations. Over the years, the UN realized that some countries were achieving success, while others were less successful. Every two years, the summit was held to check on the development, and with the advancement of technology, globalization became more and more a reality. In 2015, the MDGs were replaced by the Sustainable Development Goals (SDGs). An initiative more in line with the current scenario that by 2030 aims to eliminate poverty and lead the world to a more sustainable path.

The SDGs consist of seventeen goals, that according to the UN (2021) are a call for action by all countries to promote prosperity while protecting the planet. The seventeen goals are about education, work, economic growth, gender equality, poverty, hunger, climate action, etc. These are much more comprehensive than the MDGs, but they serve the same purpose. The same concept was used and updated for a more current view of the society we are living in. With the development of nations, the UN tries to keep everything in order so that the entire population has access to the best in the world.

Both these initiatives are part of a bigger picture. The United Nations Global Compact (UNGC). This initiative was implemented in 2000 and it brings together 10 principles involving human rights, labour, environment, and anti-corruption. The first and

second principles are about human rights, and they state that businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. The next four principles are about labour and it says: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour and, the elimination of discrimination in respect of employment and occupation. The next three principles express concerns about the environment declaring them as following: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; encourage the development and diffusion of environmentally friendly technologies. To conclude the principles, the last one is about anti-corruption, stated as: businesses should work against corruption in all its forms, including extortion and bribery (WHAT..., 2019).

The UN Global Compact is the world's largest corporate sustainability initiative, aimed at businesses. According to the UN website, over 12.000 companies based in more than 160 countries are involved in this initiative. The strategy of the Global Compact is to leverage action for leadership within the global corporate sustainability movement. Besides, it intends to elevate the expectations of how business will embed all the ten principles into their operations. The UN website emphasizes that these ten principles must be intrinsic for the sustainability of business, people, and the planet. The UNGC directly relates to the SDGs. According to Moon (2017), "corporations contribute significantly to some of the world's most vital social and environmental problems [...] While business activity is at the heart of the problems, private businesses are also increasingly seen as part of the solution". Companies progressively seen as reliable partners mobilizing resources and voluntarily complying with the new standards and doing so, they comply with the Global Compact and SDGs.

2.4 Sustainable development

When the topic is sustainability, the first thing that comes to mind is the environment. However, sustainability is about more than that. It also englobes the

economic and social aspect to it. According to Rogers et al. (2008, p.42), "the concept of sustainability explores the relationship among economic development, environmental quality, and social equity." The author proceeds to add that this concept is evolving since 1972, but it was not until 1987 that the term "sustainable development" was defined by the World Commission on Environment and Development as "humanity has the ability to make development sustainable – to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs". Rogers et al. (2008) proceeds to say that this definition established the need for integrated decision making that can balance the economic and social needs of the populations with regenerative capacity of the natural environment. Sustainable development is a concept directly linked to the UN SDGs, that was discussed in the previous session.

Sustainable economic growth refers to practices that support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community. Pearce, Markandya and Barbier (1989) define it as "sustainable economic growth mean that real gross net product per capita increases over time and the increase is not threatened by "feedback" from either biophysical impact (pollution, resource degradation) or from social impacts". This definition is about economic growth being something that we need to develop and increase over time but not forgetting the environment and having in mind the 2030 UN SDGs agenda. Another definition given by the World Bank in 1992 is that "Sustainable development means basing developmental and environmental policies on a comparison of costs and benefits and on careful economic analysis that will strengthen environmental protection and lead to rising and sustainable levels of welfare". This definition acknowledges the categorization of sustainability as a balance between what it is desired to achieve environmentally, and the cost involved in achieving it.

Environmental sustainability suggests an ecological approach. It is about the maintenance of essential ecological processes and life support systems; it also includes the preservation of genetic diversity and the sustainable utilization of species and ecosystems. Redclift (1987) says that sustainable development suggests that ecology lessons should be applied to economic processes. Through sustainable ecology, people

can learn to maintain the environment as little changed as possible and this way, the next generations can enjoy it as well.

The sustainable social-cultural approach suggests maintaining the stability of social and cultural systems. According to Barbier (1987), "sustainable economic development is directly concerned with increasing the standard of living of the poor, which can be measured in terms of increased food, real income, education, health care, water supply, sanitation, and only indirectly concerned with economic growth at the aggregate". Therefore, a sustainable social-cultural approach is not supposed to generate value to companies, but to people. However, many countries do not have the resources or structure to provide sanitation, water supply or health care for example, therefore these nations rely on private initiative to provide these basic things to the people. The UN SDGs set its main goal for 2030 to eradicate poverty, with the help of international organizations, nations worldwide and private initiative.

2.5 ISO 26000

The International Standards Organization (ISO) is the world's largest developer of voluntary international standards. It is an independent, non-governmental international organization. The goal of the organization is to "provide state-of-the-art specifications for products, services and good practice, helping to make industry more efficient and effective. Developed through global consensus, they help to break down barriers to international trade." (GRI..., 2014). Around the world, companies voluntarily adopt ISOs to keep up with technology and the standards that are being practiced by the most modern and successful companies in the world. One of the most known international standards is ISO9001, which sets patterns for quality management. The main goal of ISO9001 is to improve the quality of the products and services and consistently meet their customer's expectations. The ISO has around 23.000 international standards, 165 members representing the company in each country (there is only one member for each country) and more than 700 technical committees and subcommittees (ISO, 2021).

On this study, the ISO that is going to be explored is the ISO26000. This standard was introduced in 2010 and it gives guidance on social responsibility, and it is intended

for use in all types and sizes of companies, in order to sustain their efforts in a socially responsible manner. The relation to society and its impact on the environment has become a crucial part of an organization's performance and its ability to continue operating effectively. ISO26000 is a set of guidelines that set the company's path into social responsibility. According to the ISO26000 official document, "the perception a reality of an organization's performance on social responsibility can influence, among other things:

a) Its competitive advantage;
b) Its reputation;
c) Its ability to attract and retain workers or members, customer, clients or users;
d) The maintenance of employees' morale, commitment and productivity;
e) The view of investors, owners, donors, sponsors and the financial community; and
f) Its relationship with companies, governments, the media, suppliers, peers, customers, and the community in which it operates."

This International Standard provides guidance on the fundamental principles of social responsibility, recognizing social responsibility and engaging stakeholders, the core subjects and issues pertaining to social responsibility and on ways to integrate socially responsible behaviour into the organization. This International Standard emphasizes the importance of results and improvements in performance on social responsibility (INTERNATIONAL..., 2010). The six core subjects are organizational governance, human rights, labour practices, environment, fair operating practices and consumer issues. An organization should look at the core subjects with a holistic approach, in other words, consider that all core subjects and issues are interdependent. Improvements made in one of the core subjects should not negatively impact the other subject. When considering acting in one of them, all should be considered. This way, it can avoid adverse issues and impacts on the cycle of its products or services, on its stakeholders or on the value chain.

All core subjects on the ISO26000 will be defined and explained in detail. All its implications will be described and guidance on how to prevent and how to deal with it will be given. This is a very interesting approach. Smeureanu et al. (2011) states that ISO26000 can help organizations address CSR in its operations, leading to a better performance, increased customer satisfaction and emphasizing social responsibility. In

addition, the ISO 26000 complies with sustainability by providing guidelines to reduce pollution, waste disposal and promoting good relationships with stakeholders (HABIDIN, 2014).

3 METHODOLOGY

In order to achieve the main objective of this study, the research developed assumes an exploratory character. Exploratory research is described as a phase of the study, where the main goal is to define the objectives and information about the subject of study (MICHEL, 2015). Malhorta (2019) stated that the main objective of the exploratory research is to help the researcher understand about the problem and situation. The author adds that exploratory research is used when the researcher needs to define the problem with more precision, identify courses of action or obtain additional data.

Another characteristic of exploratory research, it is worth mentioning that this study consists of qualitative research. According to Michel (2015), qualitative research aims to collect and analyze descriptive data, obtained directly from the situation studied; it also may emphasize the process more than the result. The author proceeds to state that qualitative research is based on discussion of connections and correlation of interpersonal data, on the co-participation of the informants' situations, analyzed based on the meaning they give to their actions. According to the author, the facts in social science are social meanings and its interpretation cannot be reduced to cold quantifications and realities taken out of context. To contribute with Michel, Malhorta (2019) states that the objective of the qualitative research is to obtain a better understanding of motivations and reasons why the study is being conducted.

To achieve the main goal of this paper, interviews will be conducted with professionals from purchasing departments of companies. The companies chosen will be Randon, Marcopolo, Agrale, Brinox, Soprano and Tramontina. All companies were born in the south of Brazil, and they have over one thousand employees and all of them a have a participation in the global market.

3.1 Collection instrument

The collection instrument of this research is interviews with open questions. Michel (2019) states that interviews are the meeting between two people, with the objective of obtaining information regarding a subject, through a conversation with a more professional

nature. The author also states that interviews are considered an instrument of excellence in social research, it establishes a face-to-face conversation that provides the immediate contribution to gather the information needed.

There are two different kinds of interviews. The first one is standardized and structured and the second is non-standard, semi-structured or free (Michel, 2019). To agree with the achievement of the objectives of this work, the type of interview that fits best is non-standard, semi-structured or free. This type of interview is characterized by giving the respondent more freedom to develop each situation in any direction it fits best; it allows a broader explanation of the subject (Michel, 2019). However, it should have a question script, but it can be adapted according to how the interview is going.

Among the questions on the questionnaire, the first ones are initial questions, that according to Ribeiro and Milan (2004) are very important to set an amicable atmosphere with the respondent. This works in favour of the communication process. The next step are the main questions that, according to the authors, represent the bigger part and represent the unfolding of the interview. Then, the interview ends with a final question that englobes all that was talked about during the interview.

3.2 Selection of the respondents

In this research, the target was defined as executives that work in purchasing departments of global companies from the south of Brazil. To select the sample, the method used was the judgment technique. According to Honorato (2004), sampling by judgment consists in the selection of the best sample to the research, based on criteria established by the researcher. The convenience method was also used, since all companies are from the same the region that the author of this paper is from. The companies chosen will be Randon, Marcopolo, Agrale, Brinox, Soprano and Tramontina

Regarding the sample, Ribeiro and Milan (2004) stated that it is not necessary to interview a large group of people in qualitative research. For the authors, the number of respondents does not need to be predetermined and should be evaluated according to the need. In other words, it means that, if at the end of the interviews important questions were not answered, it may need a bigger group of individuals to conduct more interviews.

In order to select the sample for the interviews, all companies cited above must be considered. Therefore, the total sample size is going to be six.

3.3 Procedure for conducting the interviews

To conduct the interviews, some procedures were adopted. After selecting the respondents, the process of scheduling the interviews began. Ribeiro and Milan (2004) stated that it is essential to select the best date and time according to the preference of the respondent. In the last year and a half, a global pandemic has taken over the world, prompting people to take precautionary measures. And, according to the World Health Organization, practice social distancing. Therefore, given this scenario of special circumstances, interviews were conducted online and outside of business hours always considering the availability of the respondent. In case the respondent in not available or cannot answer the questions in video, written answers will be considered as well. The question script applied was in Appendix A. The interviews were conducted in Portuguese because it is the native language of the respondents.

To conduct the interviews, according to Ribeiro and Milan (2004), it is very important to start the interview with an introduction process, before the application of the script. This introduction should explain the research objectives, confirm the interest of the respondent to be part of it and assure the confidentiality of certain information. After that, the interview with the scripted questions starts. The interview is composed by two moments: the first aims to explore how the companies chosen to operate in the international market, what are the criteria when choosing an international supplier; the second moment is about the respondents view on corporate social responsibility and how its applied on the company. However, since this interview is semi-structured, the script will give direction, but it is flexible to add or remove questions according to the respondent's answers. Since the interviews were conducted online, authorization to record the interview to analyze the data was requested at the beginning of the interview.

3.4 Analyzing the data

According to Bardin (2011), data analysis consists of three different phases: pre-analysis, exploration of the material, and treatment, inference and interpretation of results. In the first phase, according to the author, the organization of the information, through the preparation of the material, seeks the systematization of the initial ideas. The second phase, the exploration of the material, consists of the treatment of the material, according to which the transformation of the data of the texts, allowing the representation of the main characteristics of the content. At the third and final phase of content analysis, treatment, inference and interpretation of the results, the author states that, through the analysis of the results, the researcher can propose inferences and interpretations related to the objective of the study or new findings from the research. The author adds that the interpretations or inferences reached can later serve as a basis for a possible new analysis.

To analyze the data collected, the method chosen was categorization. According to Bardin (2011), this procedure consists of the classification of the elements through groupings, in which the elements that have common features are placed in the same category. For the author, this happens in two moments, inventory that consists in isolating the same elements and classification that consists in the organization of the elements, separating them in different categories. This process makes it possible to analyze the data and the inference made through it. The categorization analysis organizes the information in a way that makes it easier to visualize and understand the information collected.

4 RESULTS PRESENTATION

During the data collecting stage, six individual interviews were made in depth with big companies' representatives from Serra Gaúcha. The companies that were part of thsi study are the following: Randon, Marcopolo, Tramontina, Soprano, Brinox and Agrale. The interviews were conducted between the months of August and September of 2021 and lasted in average 20 minutes.

4.1 Respondent profile

All respondents have a direct relationship with the procurement area or years of experience in this field of work. It is worth noting that, to maintain the respondent's anonymity and the impossibility of linking the answers to the participating companies, the respondents will be numbered from 1 to 6 and will not be identified.

Before starting the interviews, the respondents were asked about some characteristics of their personal and professional profile. The answers are summarized in Figure 1:

Figure 1 - summary of the respondents' profile

	Age	Company time	Job title	Gender
Respondent 1	45	4 years	Procurement manager	M
Respondent 2	N/I	21 years	Corporate procurement manager	M
Respondent 3	41	14 years	Import procurement	F
Respondent 4	29	10 years	Import analyst	M
Respondent 5	36	19 years	Corporate strategic planning	M
Respondent 6	44	6 years	Product research and development	M

Source: Author

As it can be observed in the chart above, five out of six respondents are males and only one female. The average age of the respondents is 39 years old. The respondents work in different areas but all of them are related to procurement area or strategic fields of the companies. Even though some of the respondents have less than 7 years in some

companies, they all had previous extensive experience in this field, working on other multinational companies.

4.2 Results Presentation

The presentation of the results obtained is divided in this sub-chapter into the following sections: global sourcing and international suppliers which presents the results of the mapping of where the companies' main international suppliers are and corporate social responsibility and suppliers which shows how corporate social responsibility is applied regarding international suppliers.

4.2.1 Global Sourcing and international suppliers

To start the interviews, two questions were asked about supply chain. These questions are necessary to understand the context in which the company finds itself in the matter of international purchases. Regarding the first question about this topic, the element in common for all respondents is Asia, other regions of the world also appeared, but the vast majority specified that Asia is where most of their suppliers are located.

> China. Ninety-eight per cent of our suppliers are in China. We have suppliers in India for thermos glass ampoules and in Vietnam for thermos bottles. And South Korea for electronic locks. But these are purchases that in percentage of value represent only 3, or 4% outside of China. [Respondent 5]
>
> Asia, mostly in Asia. There are a few suppliers in Europe and some one-offs in North America. [Respondent 3]
>
> Today we have most of them in Asia, at least 95%. We have a representative office in China, we have Chinese employees there. But we also have suppliers in other regions, in India, in Turkey, in Mexico, in Italy. According to the type of product or component in some other regions as well. [Respondent 4]

The reason why most companies look for suppliers in Asia is because they are considered low-cost countries, however they have a quality to their products. Respondent 2 stated that:

> […] Countries that we work a lot with, are countries that we call low cost. China, India, these countries have a very high quality, but they are considered low-cost countries. [Respondent 2]

Next, the respondents were asked what the most important elements are when developing an international supplier. The respondents also mentioned that, to look for international suppliers, all the options in the national market needs to be explored. Or you already have a national supplier however the cost is too high and the reason why buying in the international market will be better is because of the cost.

> The first thing is to try to exhaust local alternatives. You go to the foreign market when there is no alternative here. Or when it is an item that already has a national alternative, but you go abroad to find a cheaper alternative. [Respondent 3]

> The company's philosophy is to value and give preference to the supply of local inputs, services, and components. However, when there are no local resources or expertise, or when local costs become unfeasible, I start looking for international suppliers. [Respondent 6]

The respondents proceeded to mention elements such as cost, quality and delivery. But not only these are relevant when developing an international supplier. Technology, innovation, and social responsibility were also mentioned alongside cost.

> There are three pillars that are basically cost, supplier has to have a competitive price, quality and delivery. To deliver on time as we need. [Respondent 1]

> [...] Of course, we always have basic issues. First, we look for suppliers that are able to meet our needs with quality, innovation, technology, social responsibility, and of course, one of the great purchasing missions is always to talk about costs. So, today we work a lot on this, because the purchasing department is, and needs to be more and more, active in this issue of costs. [Respondent 2]

> […] And consequently, also competitiveness. The market in which we operate doesn't have much room for not being competitive. Nowadays, a factory with good production conditions. [Respondent 5]

> [...] the first thing is to have economic viability for the business, where we talk about cost. If the cost feasibility is validated, we start to analyze the technical feasibility, the requirements issues, the homologation, if the supplier is able to meet the technical requirements [...] evaluation of the financial aspects, if it is a solid company, what is the risk that I have. [Respondent 3]

Respondent 4 mentioned that in addition to cost, suppliers need to have the capacity to serve large companies. When looking for a new supplier, besides the cost, the company checks if the supplier has structure, organization, production capacity, quality, and a good work environment. These factors must go hand in hand, because if the company has the structure and is not competitive on price, the negotiation will hardly move forward. And the opposite also applies, if the supplier has the price but doesn't have the structure the negotiation will probably not be successful.

> [..] whether the product he is offering is viable in terms of price, payment - commercial conditions, product quality - design and functionality, and also whether the factory has the structure to serve us. What do I mean by this? You have a productive capacity; you have an adequate structure that meets the minimum quality and work environment requirements. So, these are the fundamental criteria. Of course, if you have an adequate structure and do not have a competitive price, it will be difficult for us to advance with the negotiation. But the opposite is also true. If we have competitive prices, but the factory does not have an adequate structure that will give us support. [Respondent 4]

Respondent 5 added that a factor that is very much observed by him is the competence that the supplier has in its processes, whether in injection or assembly, the supplier needs to have these processes mastered.

> We look very much at their competence in what they do. If you are buying a lock-pad, the supplier needs to have mastery over the main processes, whether it is in injection, assembly, and has to have this under control. [Respondent 5]

The Figure 2 presents a summary of the main aspects that influence the development of international suppliers, based on the answers of the respondents.

Figure 2 - Summary of the decisive aspects in the selection of suppliers.

Decisive aspects in the selection of suppliers	
Supplier's atribuitions	**Definitions**
Cost	The lower the cost, the bigger the profit
Quality	Quality to increase the added value in the products
Delivery	Managing delivery time with supplier makes for a more efficient purchasing process
Technology and innovation	To gain competitive advantages
Corporate Social Responsibility	To ensure that human rights and environmental laws are being followed
Structure	Structure to supply without any big problems
Organization	All operations need to be aligned to function smoothly

Competence	Capacity to provide a good quality product, which will make the buyer keep buying repeatedly.

Source: Author

4.2.2 Corporate social responsibility and suppliers

When the respondents were asked how the concept of corporate social responsibility is applied in their companies, the respondents stated that in the purchasing world, the supplier must converge with the company's values and to be aligned with environmental sustainability. However, respondent 5 states that this concept is recently changing, but the cooperation will only work if the supplier relates to the company's values.

> When we bring to our world of suppliers, which is the world we work in, we try to place all our values and company culture in the supply chain and also seek in our chains this sense of values and culture. [Respondent 2]

> We observe a lot, but I think that this has changed. The company's concept with its social responsibility, with its responsibility with the environment. I think we don't have a cake recipe when we approach a supplier or a partner. But we don't cooperate if we see something very disconnected with our values. [Respondent 5]

In addition, the values are present in more statements. Respondent 5 states that environmentally harmful issues are not tolerated in negotiations. For this reason, it is something very well investigated when developing a new supplier. One of the reasons for this is that the company here in Brazil has invested millions in a factory that is self-sufficient and treats all the waste it produces internally. As it can be observed in the excerpt below.

> We don't consider ourselves saints, but in the sense that everything we do we take all the care in the world, we don't harm. We have an electroplating company that does not put residues in the environment, so it is natural that when we go to an electroplating company to supply services to us, we will observe this. As for suppliers from China, we are also careful. We see if they are putting waste or something like that in the street, we are not going to continue with the negotiation. [Respondent 5]

Respondent 3 believes that CSR is not something decisive. The focus should be in price, technology, innovation, and delivery. The certifications and audits will be a part of the technical requirements. This can be seen in the excerpt below.

> In practice, I don't think it is something that is a determining criterion. I think that a company that does not reach the CSR level, the business already dies before reaching the conclusion stages. It is not something that is given the main focus. The focus is price, technology, technical part and delivery. It is not determinant. These analyses, certifications and evaluations end up coming together in the technical part. [Respondent 3]

Respondent 2 states that CSR counts a lot for a company's reputation. The market is looking for these answers and the more these issues are worked on, the better it is. The purchasing function, in this case, is to look for suppliers that are engaged with these principles that meet the company's ethics and values.

> Today, a company that wants to be successful needs to work on these issues, which will improve its reputation. Because today the market demands this response and we, as the person responsible for our supply chain, what we do is exactly that, we look for suppliers who are engaged with this principle and with all the responsibility that my company has before the market. Today, without a doubt, the reputation of a company is fundamental. [Respondent 2]

To check if the supplier is being truthful, the buyers check if the companies have certifications that collaborate with what the supplier is saying, usually companies have a manual to guide the verification. The manual is the minimum that a supplier needs to do in order to supply for that company. This verification happens both in the national and international market. According to the respondent 2 it is to prove that the manufacturer is fulfilling its social responsibility and not just stating that it has.

> Then there is the manual, the supplier has to go through a very complex and complete audit. It goes from the question of quality, innovation, technology, but it also has other requirements. We can talk about requirements, like the supplier cannot be using child labor, cannot have forced labor, all those issues that are very prominent in the manual. I do believe in the cycle where the company committed to society has a positive image attracting new business and promoting its perpetuity by developing new products and presenting quality solutions to consumers. We have our manual here, if you want to start supplying, it has the requirements there. So, all these are public materials, if you go to our website today, you will see the manual for suppliers. That is the minimum. Then, of course, there are the commercial issues, the other issues that are part of our day-to-day negotiation. But there are the minimum necessary prerequisites. And there is no point in saying that we have them, because we go there and audit them to see if they are really being practiced. [Respondent 2]

Inspections and visits to factories are part of the routine with international suppliers, either for supplier maintenance or new suppliers from an ongoing development. Two of the six companies interviewed have offices in China with Chinese employees that assist in this control, one of the respondents lived in China and assisted in this kind of work. These visits happen with the purpose of getting to know the supplier, know the productive processes and how the supplier will deal with the employees and problems that may happen. This way buyer and seller can connect faces and check if what the supplier is saying matches the reality of what is being done.

> [...] In this development we do an audit with our Chinese employees to get to know the contact people, to get to know the production process, how this supplier deals with the problems, with the employees. These are some of the topics to be addressed. And this also includes the request for documentation and certifications that these suppliers have, which also support what they say. [Respondent 4]

> So that we can include all of this in our daily purchasing routine, that we have our internal audits and external audits. What I would say is that there is this issue that in purchasing is very strong in terms of compliance. [Respondent 2]

> Every new supplier that is going to start supplying us, we are going to make a visit, sooner or later. During the pandemic we had cases where we couldn't make any kind of visit because the cities in China were closed. It is inevitable that we go there to visit them and see the factory. [...] It is done this way, our auditor makes a report and we decide if the risk is too big, weather it is social, environmental or technical, we do not collaborate with him. Then we make frequent visits, up to three times a year, depending on the intensity of the business with these companies. [Respondent 5]

However, before making the visits, the buyers check if the companies have certifications that collaborate with what the supplier is saying. This verification happens both in the national and international market. According to the respondents it is to prove that the manufacturer is fulfilling its social responsibility and not just stating that it has.

> We have our manual here, if you want to start supplying, it has the requirements there. So, all these are public materials, if you go to our website today, you will see the manual for suppliers. That is the minimum. Then, of course, there are the commercial issues, the other issues that are part of our day-to-day negotiation. But there are the minimum necessary prerequisites. And there is no point in saying that we have them, because we go there and audit them to see if they are really being practiced. [Respondent 2]

> The company that I work at is a company that has an integrated management system, which involves all systems related to quality and certification. Like ISO9001, ISO14000, this kind of process. For the internal market suppliers, a check is made where the quality area has a procedure. The supplier has to send its certifications, environmental certifications, and the documents are checked. A

> physical check is only done for suppliers that are considered critical items, safety items. [Respondent 3]

> Well, we have a supplier manual. We have ISO, so there is a whole internal audit process, and we also audit the suppliers. I think that is it, with periodic audits of suppliers. [Respondent 1]

To maintain a supplier, the same concept of visits is applied. The same factors are evaluated in development and maintenance. According to them, there are topics that need evaluation on these visits, for example garbage disposal, how employees are treated. However, protocols change according to the demand of each company.

> We try to make this contact with suppliers and maintain our current suppliers through audits and visits to the factories. In these audits, some of the topics, of course we also look at other details, is to have a general notion of the factory, a general notion of the production capacity, some topics more related to product quality, packaging, how the internal processes are. But some of these topics are linked to the environmental issue and to the employees. Some questions that end up being considered and analyzed in these visits: how the disposal issue is handled, how the company organizes it. If they have a method, if they have no method, how they try to reduce the environmental impact. We have suppliers in several segments, but if they work with filters for the reduction of carbon dioxide emissions, this is one of the criteria that is questioned in these audits we do. Also, if the employees that are working in this company, depending on the function they are performing, have the adequate equipment. We usually end up looking at these criteria during the audit. [Respondent 4]

> As for the visit, we have some protocols that are already practically automatic, we look at the factory, we observe the location - if it is located in an urban center or in an industrial area, we know that this factory is not inside an industrial zone, it is not well seen, so we know that we will not have a long-term partnership with it. [Respondent 5]

> Through questionnaires, quality certifications and eventual visits to suppliers. [Respondent 6]

> We have a schedule of audits that all suppliers go through. So, these audits can be in person, the vast majority are. Of course, because of the pandemic, we kept the audits because we ask for documentation, a series of other questions. But the main issue is the audits that we have and the daily contact. Because we have a whole criterion, which is not only the auditing issue. [Respondent 2]

When asked if adopting this socially responsible practices the companies could see a return in investment, they all agreed that this is important, and it brings returns to the company. Nowadays, it is something no longer optional, it is a must have in business theses days. The market is each day paying closer attention to these issues and it consequently makes this factor more important to investors.

Yes, it is important, we evaluate this a lot, our supply chain, because the responsibility in these issues that we mentioned are essential, and today this is what we did. That is, I need, as a buyer, to seek in my chain all this clarity, these issues of concern with auditing. Because this certainly helps the people responsible for the company, in terms of sales, market, all of this. [Respondent 2]

A lot. I think there is a difference between a private and a public company. Closed capital is questioned, but it is not decisive to work or not, but it will weigh a lot in the decision. In publicly traded companies then yes, and there are people who say that these demands are already exaggerated. I don't think so, I think you have to be really tough. You have to have a balance, but be careful, otherwise things won't happen. [Respondent 5]

I do believe in the cycle where the company committed to society has a positive image attracting new business and promoting its perpetuity by developing new products and presenting quality solutions to consumers. [Respondent 6]

Respondent 5 comments that corporate social responsibility has a new term that is being used in the market nowadays, it is environmental social governance (ESG). In the past 5 to 10 years, big multinational retailers, like Walmart and Home Depot, were suffering from activists that were demanding better conditions in the factories located in low-cost countries in Asia. At the time, some European companies were fulling compromises with social responsibility, but they did in a painful way, almost against their will. According to the respondent, it was not the right time. Since then, the concept has been evolving and becoming more natural to companies all over the world. At this moment in time, what keeps countries doing business with countries that were known for exploiting child labour is the fact that the rest of the world does not have the conditions to manufacture the products anymore. It is a matter of dependence. ESG will gives us guidance to the future.

This social responsibility issue I think has evolved and changed, but it is going through a maturing process. At least a few years ago in Asia, the big companies Home Depot, Walmart, they had a lot of problems with factories in Bangladesh, Vietnam and then a whole policy came up, a more activist thing that started to charge these companies to be more careful and to demand from the factories the minimum conditions. This was maybe 5, 6, 10 years ago that we heard about this. What I did at the time when I participated in many supply chain events in China, many European companies did this, but they did it with a lot of pain, it was not yet the time. Economically it was becoming a very painful thing for them. I think that this has been evolving, the factories themselves have evolved a lot. Today there isn't much exploitation of cheap labor anymore. I think that today this is much

more in the condition of the country, of the place, of being able to make a business viable or not. Now at this moment that we are living is very complex. It is not the cheap labor in China that makes a product viable, it is our dependence, we are no longer able to make it here - this did not happen a while ago. Now then you have the ESG, which has been addressing this issue, has been guiding this issue. […] Now, how this will unfold is a question that many people are asking themselves at this moment. [Respondent 5]

The figure 3 shows a summary of the aspects regarding corporate social responsibility in suppliers' respondents' point of view.

Figure 3 - Summary of the aspects regarding corporate social responsibility in suppliers

ATRIBUTIONS	DEFINITIONS
Values	Values need to be aligned in order to get business done
Environmental sustainability	Companies must reconcile their economic growth with environmental issues
Company's reputation	Reputation is about how the public, the market, and investors view the company
Certifications	Its goal is to improve management processes on an ongoing basis
Periodic visits	It allows a company to know how the supplier works
Shareholders	Shareholder is someone who holds interest in the company
Environmental social governance	Most up-to-date term for corporate social responsibility

Source: Author

5 RESULTS ANALYSIS

In this chapter, it is presented the main considerations of the respondents about the proposed questions, establishing a comparison with the conceptual basis presented in the theoretical framework, in order to analyze and understand if the theoretical elements, related to global sourcing and corporate social responsibility are consistent with respondents statements.

Regarding the selection of international suppliers, the criteria cost was mentioned by all respondents when it comes to selecting a new supplier in the international market. This is one of the most important factors when looking for a supplier in the international market. Going outside of your country to look for suppliers, companies will usually want to make a long-term relationship to make the effort worthwhile. This same idea is proposed by Min (1994) that states that cost minimization means profit maximization. He proceeds to state that a firm must look for a low-cost supply base, where all costs involving the operation can be minimized.

Another factor mentioned by the respondent that interferes directly in international supplier development is quality. Respondents stated that quality is one of the three pillars that they look for in a supplier. They added that most of their international suppliers are in countries that are considered low cost. However, according to them, it doesn't necessarily mean that they have low quality, on the contrary, they present quality in their products. In addition, Min and Galle (1991) stated that executives would be unsure of the quality provided by low-cost countries. According to them, firms frequently would prefer higher cost in outsourcing rather than guaranteeing cost in emergent countries. However, Ruamsook, Russell and Thomchick (2007) stated that the situation has changed, now low-cost countries also present quality to their products and services.

In addition, the big majority of the respondents believes that delivery is a very important factor in global sourcing. Moreover, Min (1994) states that delivery can be a big obstacle. According to the author, delays in transportation and consequently increase of delivery times disturbs the fulfillment of just in time principles. The author proceeds to state that the buyer should evaluate the length of the supply chain as well as the supplier's commitment for on-time delivery services.

Respondents also stated that technology and innovation are other factors important in the international market. In addition, Lengnick-Hall (1992) explain that are numerous capacities that a firm needs to keep updated to be effective. Innovation, according to the author, offers an attractive source to create competitiveness, whether in the company's processes, products, or services. Therefore, this is what respondents stated that they look for when looking for new supplier. In this way, a company can absorb its supplier's innovation and incorporate it into its products, making the whole chain more competitive.

When developing a new supplier, there are a lot of attributes to consider. Quality, cost, innovation, delivery performance, structure and so on. A study conducted by Verma and Pullman in 1998 concluded that the more meaningful attributes are cost and on-time delivery. In this study they also considered attributes like flexibility, lead-time, and quality. All these were mentioned by the respondents but there is one that was not in spotlights in the late nineties. And that is corporate social responsibility. All respondents mentioned the importance of CSR in the conduction of business nowadays.

Respondents mentioned that CSR is important to understand the activities that an international supplier is performing. This companies that were interviewed, all practice CSR in its own form. Literature agrees that it can be a subjective concept. Which can mean various interpretations. However, most respondents agreed that they look for suppliers that have the same values, meaning that in some way they will practice CSR very similarly. Fontaine (2013) defines CSR as a way that businesses must align their values and behavior with the needs and expectations of stakeholders, not only investors and customers, but also suppliers, employees, regulators, and society.

One way that the respondents stated that they supervise suppliers in these practices is by making periodic visits. The frequency of the visits depends on the intensity of business and the importance of a given supplier. According to the respondents, visits take place to promote a better relationship with the supplier, to get to know its physical structure, and to initiate the customer-supplier relationship. Holmlund and Tornroos (1997) stated that relationships can be complex and versatile, as well as extremely dependent on the context in which it is installed. These visits manage to build a relationship with the supplier to deepen contact and create a better understanding of both worlds, the buyer and the customer.

Another way that respondents can check if a supplier is being truthful or not is through certifications. Respondents stated that international certifications say a lot about how a company conduct its processes and protocols. Besides, Chen and Deng (2013) explain that certification appeared as a solution to repress the imbalance in the information between suppliers and buyers. The authors proceed to explain the benefits of having certifications. It can present a verifiable source of information to buyers that the supplier uses the best practices in the industry, resulting in providing the best products and services.

Respondents also emphasized the fact that these practices bring more investments to the companies. Publicly traded companies are under great pressure from the market to be up to date with these practices and it is becoming a decisive factor for investors. Most companies already have a report available on their website that describes the actions they are taking. Closely held companies are also under pressure to do this, but it is not becoming a deciding factor for investors. In addition, Verbeeten, Gamerschlag and Moller (2016) affirm that indeed CSR is very influential aspect when deciding where to invest.

6 FINAL CONSIDERATIONS

This chapter will present the final considerations about the influence of CSR on the suppliers of global companies, considering that the study counted on the perception of six respondents about the proposed theme. Moreover, it also presents the limitations of the research and suggestions for future research.

Based on the literature and information obtained through the interviews, it is possible to conclude that corporate social responsibility is key factor in business nowadays. It is an aspect that customers, investors and interested parties are looking for in companies. Moreover, a company does not simply state that it does something towards this matter, the company needs to have proof that it is practicing CSR on a day-to-day basis.

This study also concluded that, to control CSR initiatives in suppliers, buyers analyze all certifications and make visits. The frequency of the visits depends on the intensity of business. The protocols also change according to the product or the importance of the development, however some aspects are basics. For example, check structure, organization, how the company treats the employees, how the company treats the waste, weather it has child labor, a good work environment for the employees. Companies that adopt a global sourcing strategy also the rely heavily on the international market and outsource a lot from Asian countries, usually have an office with native employees in the country with the most suppliers so that cultural and geographical barriers are lowered.

From the results presented, this study fulfills its general and specific objectives, and represents a contribution about international supplier selection and global sourcing strategies and their relationship with corporate social responsibility. It is hoped that this research can help purchasing executives and investors to better understand the buyer-supplier relationship and encourage corporate social responsibility practices within companies.

As it is common in all research, this research also has limitations. One of them is an interview that was received in writing, and it was considered for the research, which differs from the original data collection method. Another aspect that can hinder the results

is the fact that all the companies are from the metal-mechanic sector in the Serra Gaúcha, even though all of them are global firms, therefore the research does not cover many economic sectors that could have been explored to obtain more comprehensive results. Another aspect that may have limited the survey is the fact that the topic is more strategic, and the respondents may be afraid of having very relevant information from their companies regarding this aspect disclosed, even under anonymity. The author felt some the author felt reluctance from the respondents during the interviews.

Future research can explore another economic field, for example clothing and automobile industries. This will give the study more perspectives on the topic and help understand a wider range of the aspects surrounding CSR in the corporate world. Another suggestion would be using the most up to date term in the research, even though is recent there is a lot of academic work done with ESG. Another suggestion to this study would be exploring more about the regulatory vacuum, conceptualized by Scherer and Palazzo (2005), linking this concept to international law and exploring what international organizations are doing towards this matter. In addition, future study can also explore more about the six core subjects on organizational governance and how it affects the operations of companies.

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ATTACHEMENTS

QUESTIONÁRIO SOBRE RESPONSABILIDADE SOCIAL CORPORATIVA	
Nome:	
Idade:	
Sexo:	
Tempo de empresa:	
	Para iniciarmos, você poderia me contar um pouco da sua trajetória profissional?
Pergunta Inicial - Supply Chain	Qual a região do mundo em que se encontram os principais fornecedores internacionais?
Pergunta de Transição	Para você, quais são os elementos mais importantes para o desenvolvimento de fornecedores locais?
Perguntas Centrais	Para você, quais são os elementos mais importantes para o desenvolvimento de fornecedores internacionais?
	Segundo Chandler (2004), responsabilidade corporativa social abrange a relação entre empresas (ou outras organizações sem fins lucrativos) e as sociedades com as quais interagem. Inclui também as responsabilidades inerentes a ambos os lados desses laços. A RCS define a sociedade em seu sentido mais amplo e em muitos níveis para incluir todas as partes interessadas e grupos constituintes que mantêm um interesse contínuo nas operações da empresa. De que forma este conceito é aplicado em sua empresa?
	Quais práticas de CSR você identifica no seu dia a dia no trabalho?
	De que maneira os conceitos de os conceitos de responsabilidade social corporativa são utilizados no desenvolvimento de fornecedores?
	De que forma os fornecedores são avaliados quanto a essas práticas?
	Você nota o aumento de investimentos com a adoção dessas inciativas?
	Quais vantagens você identifica na adoção de CSR na sua empresa?
Pergunta Final	Para finalizar, você tem mais alguma informação que considera relevante para este estudo?