

Chapter 11

CSR Practices in Brazilian Construction Firms


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ABSTRACT

Corporate social responsibility (CSR) is vital for business success, particularly in the competitive and evolving landscape of the construction industry. Companies increasingly adopt CSR to incorporate environmental and social practices into their operations, meeting stakeholder needs and promoting a sustainable balance between business performance and social well-being. This approach enhances corporate image, stakeholder satisfaction, and engagement. The construction sector, a key contributor to Brazil's GDP, has immense potential to drive urban development and improve public health, urban mobility, and housing. This study identifies and analyzes CSR practices of construction companies listed on the Brazilian Stock

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Exchange, offering practical insights for managers and enriching the literature with a contextualized analysis of CSR's impact on corporate performance, thereby supporting future research and public policy development.

INTRODUCTION

Corporate Social Responsibility (CSR) is essential for business success. With increased competition and the emergence of new challenges, many companies are adopting CSR to integrate environmental and social practices into their operations. This approach aims to meet the needs of stakeholders, promoting a sustainable balance between business performance and social well-being. In addition to strengthening the corporate image, CSR contributes to stakeholder satisfaction and engagement (Bhatti et al., 2017).

According to Mazzer (2015), there has been a significant increase in the attraction of companies and investors towards CSR actions in recent years. A survey conducted by Union + Webster and published by the Federation of Industries of the State of Paraná (2019) reveals that 87% of the Brazilian population is interested in sustainable services and products. Additionally, 70% of respondents stated they do not mind paying more for these products, demonstrating an apparent concern for sustainability. Thus, it becomes increasingly evident that companies should adopt CSR practices to stand out and differentiate themselves in the competitive market.

When organizations engage in CSR activities, they overcome agency problems, generating relational assets and moral capital, thus boosting organizational performance. In addition, reduced employee turnover rates, more outstanding employee commitment, higher levels of customer satisfaction and, consequently, greater customer loyalty are benefits that improve the company's reputation (Rehman et al., 2015; Shahzad et al., 2022).

Besides providing advantages and competitive differentials, CSR adds value to a company's image. Therefore, it becomes an excellent strategic opportunity to improve service quality, meet consumer needs, reduce costs, increase productivity, and elevate product value with customer consent. This results in companies' satisfactory corporate social performance (CSP) (Leite, 2011). While CSR focuses on social practices and activities, CSP aims to achieve economic, environmental, and social results (Salazar et al., 2012).

According to the Brazilian Association of Real Estate Developers (2021), the construction sector plays an important role in the Brazilian economy, as a large part of the investment in the industry returns as Gross Domestic Product (GDP), taxes, jobs, and income for the population. The construction sector has the potential to boost various essential urban areas for society, such as the expansion of basic

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